OTP Bank Plc.

Summary of the full-year 2010 results

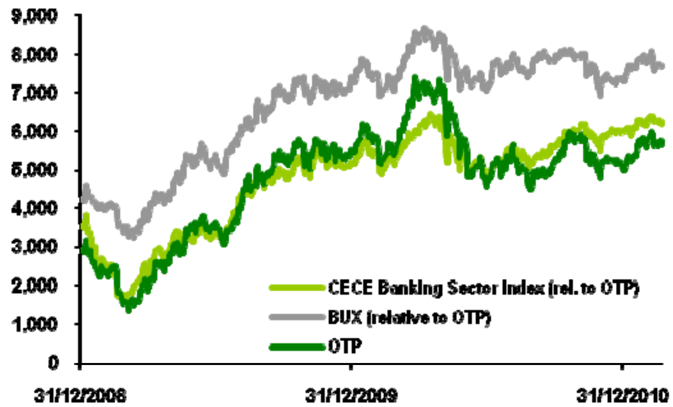
(English translation of the original report submitted
to the Budapest Stock Exchange)

Budapest, 4 March 2011

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Consolidated after tax profit	**150,206**	**117,880**	**-22%**	**20,284**	**30,941**	**17,180**	**-44%**	**-15%**
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, goodwill impairment charges and special financial institution taxes	**151,326**	**161,864**	**7%**	**20,386**	**45,362**	**31,812**	**-30%**	**56%**
Pre-tax profit	172,080	194,396	13%	24,661	47,345	38,558	-19%	56%
Operating profit	437,059	467,194	7%	106,879	100,766	107,267	6%	0%
Total income	786,084	821,258	4%	201,428	187,920	202,764	8%	1%
Net interest income (adj.)	589,780	620,354	5%	152,780	150,260	155,130	3%	2%
Net interest income without the revaluation result of FX swaps	*589,780*	*601,622*	*2%*	*152,780*	*154,118*	*155,130*	*1%*	*2%*
Net fees and commissions	132,913	136,702	3%	34,454	33,997	37,581	11%	9%
Total other non-interest income (adj.)	63,390	64,202	1%	14,194	3,663	10,053	174%	-29%
Operating expenses (adj.)	-349,024	-354,065	1%	-94,549	-87,154	-95,496	10%	1%
Provision for loan losses (adj.)	-246,935	-273,139	11%	-79,406	-52,697	-69,848	33%	-12%
Other cost of risk	-18,044	342	-102%	-2,813	-724	1,139	-257%	-140%
Main components of balance sheet closing balances in HUF million	2009	2010	Y-o-Y	2009 4Q	2010 3Q	2010 4Q	Q-o-Q	Y-o-Y
Total assets	9,755,132	9,780,614	0%	9,755,132	9,975,685	9,780,614	-2%	0%
Total customer loans and advances (gross)	**6,907,094**	**7,502,331**	**9%**	**6,907,094**	**7,321,728**	**7,502,331**	**2%**	**9%**
Allowances for loan losses	-494,378	-761,296	54%	-494,378	-700,758	-761,296	9%	54%
Total customer deposits	**5,688,887**	**5,821,489**	**2%**	**5,688,887**	**5,955,439**	**5,821,489**	**-2%**	**2%**
Issued securities	1,410,348	1,035,153	-27%	1,410,348	1,085,245	1,035,153	-5%	-27%
Subordinated loans	280,834	290,630	3%	280,834	292,963	290,630	-1%	3%
Total shareholders' equity	1,191,606	1,308,598	10%	1,191,606	1,323,163	1,308,598	-1%	10%
Indicators %	2009	2010	Y-o-Y	2009 4Q	2010 3Q	2010 4Q	Q-o-Q	Y-o-Y
ROA	1.6%	1.7%	0.1%	0.8%	1.8%	1.3%	-0.5%	0.5%
ROE	13.4%	12.9%	-0.5%	6.8%	13.6%	9.6%	-4.0%	2.8%
Operating profit margin (adj.)	4.57%	4.78%	0.21%	4.36%	3.97%	4.31%	0.34%	-0.05%
Total income margin (adj.)	8.22%	8.41%	0.19%	8.22%	7.40%	8.14%	0.75%	-0.07%
Net interest margin (adj.)	6.17%	6.35%	0.18%	6.23%	5.91%	6.23%	0.32%	0.00%
Net interest margin without the revaluation result of FX swaps	*6.17%*	*6.16%*	*-0.01%*	*6.23%*	*6.07%*	*6.23%*	*0.16%*	*0.00%*
Cost-to-asset ratio	3.65%	3.62%	-0.03%	3.86%	3.43%	3.84%	0.41%	-0.02%
Cost/income ratio (adj.)	44.4%	43.1%	-1.3%	46.9%	46.4%	47.1%	0.7%	0.2%
Risk cost to average gross loans (adj.)	3.57%	3.82%	0.26%	4.59%	2.84%	3.77%	0.94%	-0.82%
Total risk cost-to-asset ratio	2.77%	2.79%	0.02%	3.35%	2.10%	2.76%	0.66%	-0.59%
Net loan/(deposit+retail bond) ratio	108%	110%	2%	108%	106%	110%	4%	2%
Capital adequacy ratio (consolidated, IFRS)	17.2%	17.5%	0.3%	17.2%	18.0%	17.5%	-0.5%	0.3%
Tier1 ratio (consolidated, IFRS)	13.7%	14.0%	0.3%	13.7%	14.1%	14.0%	-0.1%	0.3%
Core Tier1 ratio (consolidated, IFRS)	12.0%	12.5%	0.5%	12.0%	12.6%	12.5%	-0.1%	0.5%
Share data	2009	2010	Y-o-Y	2009 4Q	2010 3Q	2010 4Q	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	572	436	-24%	78	114	64	-44%	-18%
Closing price (HUF)	5,456	5,020	-8%	5,456	5,320	5,020	-6%	-8%
High (HUF)	5,790	7,400	28%	5,790	5,640	6,000	6%	4%
Low (HUF)	1,355	4,500	232%	5,000	4,500	4,815	7%	-4%
Market Capitalization (EUR billion)	5.6	5.0	-11%	5.6	5.4	5.0	-6%	-11%
P/BV	1.3	1.1	-16%	1.3	1.1	1.1	-5%	-16%
P/E (trailing, from adjusted net earnings)	10.1	8.7	-14%	10.1	9.9	8.7	-12%	-14%
Average daily turnover (EUR million)	51	53	5%	50	42	37	-14%	-27%
Average daily turnover (million share)	4.1	2.6	-37%	2.5	2.4	1.8	-22%	-26%

SHARE PRICE PERFORMANCE (INDEXED)



MOODY'S RATINGS

OTP Bank	
Foreign currency long term deposits	Baa3
Foreign currency senior unsecured deposits	Baa2
Financial strength	D+
OTP Mortgage Bank	
Foreign currency long term deposits	Baa3
Covered mortgage bond	Baa1
Financial strength	D+
DSK Bank	
Long term deposits	Baa3
Local currency long term deposits	Baa3
Financial strength	D+

STANDARD & POOR'S RATING

OTP Bank and OTP Mortgage Bank	
Long term credit rating	BB+

[1] Structural adjustments made on consolidated IFRS profit and loss statement together with the calculation methodology of adjusted indicators are detailed in the Supplementary data section of the Report.

SUMMARY OF THE FULL-YEAR 2010 RESULTS

The Summary of the full-year 2010 results of OTP Bank Plc. has been prepared according to the 24/2008. (VIII.15.) PM resolution on the basis of its unconsolidated and consolidated condensed IFRS financial statements for 31 December 2010 or derived from that. At presentation of full year 2010 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

Methodological note: calculation of the financials of OTP Core (Hungarian core business) and Corporate Centre has changed from 2Q 2010 on. According to the refined methodology, neither the aggregated net profit of the two entities, nor the consolidated financials for OTP Group is changed, only the profit allocation between the two entities, particular items of the balance sheet and some indices are modified. The note describing the methodological change is available in the 'Supplementary Data' section of OTP Bank's Half-year Financial Report published on 12 August 2010. The data set under the old methodology is published in the 'Supplementary Data' section of this report too and also available on the website of the Bank (www.otpbank.hu / Investor Relations / Reports / BSE Reports, interim management reports). Tables and analysis in the main text of the report only contain financials calculated according to the refined methodology.

SUMMARY OF THE FULL-YEAR 2010 AND THE FOURTH QUARTER 2010

Favourable changes in the CEE region

National economies of the region where OTP Bank operates apparently left behind the worst period of the last two years financial crisis. The severe contraction that followed the financial and economic crisis reached its bottom in 2009 and according to the preliminary data in most of the countries real GDP growth was already in the positive territory in 2010.

One of the direct consequences of the crisis was the weak loan demand in all countries, but Russia. In Hungary OTP Bank put great emphasis on revitalizing its lending activity: in 2009 the Bank managed to increase its SME and corporate loan volumes by 5 and 8% respectively, whereas the overall market contracted by 10%. In 2010 it posted another 7 and 1% increase in those sectors with the simultaneous 7% decline of the market. As for mortgages, in 2010 new volumes at OTP Bank increased by 60% y-o-y, as a result the Bank's market share in new origination jumped from 15% to 29%.

Another side effect of the crisis was the significant deterioration of asset quality across the whole Group and risk costs grew significantly, at the same time, DPD90+ coverage also improved in 2010. Debtor protection programmes continued in many countries. In Hungary OTP gave high priority to that challenge and by 2010 the Bank concluded mutual agreements with around 50 thousands temporarily distressed clients offering solutions to their needs.

Consolidated results: HUF 162 billion adjusted net earnings, 7% increase in operating profit, improving profit contribution from foreign subsidiaries, outstanding capital position and stable liquidity

Including the negative effect of the Montenegrin goodwill impairment and the Hungarian banking tax, in 2010 OTP Group realized HUF 118 billion after tax profit. The adjusted net earnings reached HUF 162 billion, underpinning a 7% y-o-y growth. Accordingly the consolidated 4Q net earnings stood at HUF 17.2 billion, whereas the adjusted profit represented HUF 31.8 billion.

Apart from the absolute size of the profit, another positive momentum was the significant turnaround in profit contribution of foreign subsidiaries. Against the loss of HUF 24 billion realized in 2009, in 2010 they reached a profit of around HUF 17 billion, thus mitigating the negative effect of the Hungarian banking tax and the profit decline of the Hungarian operation.

In 2010 the Group posted HUF 467 billion operating profit (+7%), adjusted by one-off items it stood at HUF 436 billion, basically flat y-o-y. The adjusted 4Q operating results represented HUF 105.5 billion, by HUF 5 billion less q-o-q (in HUF billion 2010 1Q: 109.3, 2Q: 110.4, 3Q:110.6) mainly due to the seasonally higher operating expenses. It was rather positive that the adjusted net interest income grew by HUF 1 billion q-o-q and 4Q net fees and commissions also increased by HUF 3.6 billion.

Within total income the adjusted net interest income grew by 2% y-o-y and 1% q-o-q respectively. The 2010 net interest margin (6.16%) remained flat y-o-y.

The nominal y-o-y growth of loans represented 9%, whereas deposits grew by 2% respectively. The FX-adjusted volumes however remained flat in both categories. In the last three months the adjusted loan portfolio stagnated, but deposits dropped by 3% due to deposit withdrawals of Hungarian municipalities and OTP Fund Management.

There was only one market with significant volume expansion, namely the Russian one. The FX-adjusted loan book advanced by 24% y-o-y, within that the retail consumer loan portfolio by 61% and the credit card loans by 72% respectively. Apart from the stellar performance of OTP Bank Russia, the Ukrainian corporate lending also started growing from 2H 2010. Furthermore, in Hungary OTP managed to increase its market share in newly originated mortgages and the corporate loan book increased, too.

As for the deposits, it was again the Russian subsidiary that captured the most spectacular volume increase (+18% y-o-y), though the growth in Serbia (+14%) and Romania (+13%) was meaningful, too.

As a result, the consolidated net loan-to-deposit ratio (110%) declined by 5%-points y-o-y, but grew q-o-q (+2%-points adjusted for technical effects). On a standalone base in 2010 the most significant improvement was realized in Ukraine (-57%-points), Serbia (-52%-points), Romania (-49%-points) and Montenegro (-23%-points).

As for wholesale funding activity, OTP Bank did not print any market transactions in 2H 2010; neither it renewed its maturing obligations. All redemptions were paid back from the liquidity reserves. In Hungary the Bank continued its retail targeted local bond issuance programme, by the end of 2010 the outstanding volume reached HUF 284 billion (a bit more than EUR 1 billion).

As a result of further portfolio deterioration overall risk costs in 2010 reached HUF 273 billion (+3% y-o-y). Of that HUF 69 billion was made in 4Q (+29% q-o-q). The DPD90+ ratio kept growing and the year-end level stood at 13.7%. The pace of deterioration, however, moderated. While in 2009 the ratio grew by 5.3%-points y-o-y, in 2010 it increased only by 3.9%-points. Different dynamics could be observed in DPD90+ coverage: in 2009 the ratio dropped by 12%-points y-o-y, but in 2010 it improved by 1%-point from 73.6% to 74.4%.

The consolidated IFRS CAR reached 17.5% by December 2010. The Tier1 ratio (14.0%) grew by 0.3%-points in the past twelve months. Both levels are significantly higher than that of for OTP's main competitors in the region.

The HAR based CAR of OTP stood at 18.1%, underpinning both a y-o-y and q-o-q growth of 1.9%-points and 0.4%-points respectively.

OTP Core: stable total income with increasing risk cost and lower net earnings, reviving mortgage lending, increasing corporate loan volumes

Within the Group 2010 profit after tax of OTP Core (basic activity in Hungary) reached HUF 147 billion, marking a decrease of 20% y-o-y (without the effect of the banking tax).

The key driver of the strong total income was the good net interest income performance (+6%) mainly related to the HUF 18.7 billion impact of FX swap revaluation. The adjusted yearly net interest income basically remained flat. Thus the adjusted net interest margin dropped by 25 bps y-o-y, but improved by 17 bps q-o-q in 4Q 2010. The total income line was further supported (as other non-interest income) by a HUF 8.9 billion FX result (result on the hedging of provisions related to FX loans at OTP Bank Ukraine) and HUF 7.1 billion securities gain. Furthermore, the structure of income was also influenced by an additional HUF 3.8 billion FX gain on positions hedging the revaluation of FX-provisions related to the FX-loan portfolio at OTP Core. Given that the annual risk costs were increased by the same amount, it had a neutral impact on net earnings.

Net F&C declined by 4% y-o-y, the quarterly improvement of 11% in 4Q 2010 is related to technical and seasonal reasons.

While in 3Q HUF 6 billion IFRS tax savings was realized on the revaluation of subsidiary investments of OTP Bank, in 4Q reverse trends resulted in a HUF 1 billion extra tax expense.

Despite of the average consumer price index of 4.9% a stringent cost control was underpinned by a 1% y-o-y decline in operating expenses; the 12% q-o-q increase was due to seasonal effects.

FX-adjusted loan volumes showed a 1% growth y-o-y and were flat q-o-q. Adjusted SME and corporate books grew by 7% and 1% respectively in the past twelve months; the consumer loan portfolio remained flat. The FX-adjusted mortgage book declined by 2% y-o-y and remained flat q-o-q despite the improving lending activity. In new origination OTP managed to improve its market position (in 4Q 35%, annually 29%). Another positive factor was that new volumes kept growing q-o-q and the total 2010 origination of HUF 103 billion exceeded 2009 volumes by 60%. In 4Q OTP sold HUF 31 billion mortgages. Since FX mortgage origination has been banned from July 2010, new 2H volumes were basically 100% HUF-based.

In 4Q asset quality deterioration further moderated: the FX-adjusted DPD90+ volumes grew by HUF 27 billion following 3Q volume growth of HUF 35 billion. DPD90+ rate reached 10.6% by the end of 2010. The debtor protection program launched in 2H 2009 all-in comprised 6.6% of the total retail portfolio; the pace of restructuring gradually lost momentum.

The volume of FX-adjusted deposits and retail bonds on a yearly base declined by 1% and dropped by 5% q-o-q. Retail deposits (plus retail bonds) however expanded both on a yearly and quarterly base (2% and 3% respectively), reflecting the increasing interest rate environment. There was a significant decline in corporate deposits: -8% y-o-y and -22% q-o-q as a result of withdrawals by municipalities and OTP Fund Management. The "net loan-to-deposit+retail bond" ratio stood at 89% (-1%-point y-o-y adjusted for technical effects).

Merkantil Group realized HUF 4.1 billion loss in 2010 without the negative impact of the banking tax and provisioning on the investments in leasing firms. In the base period the company's results were around zero. Increasing risk costs as well as eroding income base were the key drivers of the weak business performance. FX-adjusted loan volumes dropped by 14% y-o-y, DPD90+ ratio increased to 17.6%, its coverage remained stable (88%).

Positive profit contribution by foreign subsidiaries: performance in Russia and Ukraine well-above expectations, stable Bulgarian and Croatian operations with Slovakia, Serbia, Romania and Montenegro still making losses

OTP Bank Russia, DSK Bank and OTP Bank Ukraine representing around 30% of the total consolidated loan portfolio posted HUF 48 billion after tax profit in 2010 against their loss of around HUF 16 billion in 2009. Their profit contribution made up around 30% of total adjusted 2010 bottom line results.

The single biggest net profit has been achieved in Russia, taking over DSK Bank, whereas the most significant turnaround was registered in Ukraine, where the Bank posted HUF 8.9 billion profit versus a loss of HUF 43.6 billion in 2009.

As a result of operating profit being almost twice as big as in 2009 and risk costs growing by 18%, the Russian subsidiary achieved a net profit of HUF 20.5 billion in 2010, by 6 fold bigger than a year before. 4Q results exceeded HUF 7 billion. Operating expenses required for the organic growth kept growing, but remained under control, thus efficiency further improved (cost-to-income ratio: 49.3%, -12.4%-points y-o-y).

POS-lending has been enjoying an 18 months undisrupted volume expansion (+58% y-o-y and 24% q-o-q), but the cross-sale of credit card loan volumes even exceeded that pace with improving utilization rates and personal loan volumes also grew nicely. Simultaneously, the management put a break on low-margin corporate lending (25% FX-adjusted y-o-y drop in volumes). Due to the outstanding profitability of POS and credit card loans, OTP Bank Russia managed to further improve its net interest margin (14.3%, y-o-y +343 bps). Those two core products also enjoy excellent market position: in case of POS-lending the bank is the second biggest, whereas in credit card issuance it came off to no.4.

Deposit volume growth fell short of the stellar performance of retail volumes, however it was the strongest across the Group (+18% adjusted for FX-effect). The net loan-to-deposit ratio somewhat increased from 2H and reached 114%. Highly positive, that amongst the biggest markets, DPD90+ ratio started declining in Russia: after a moderation of 0.6% in 3Q, it dropped by another 3.7%-points in 4Q, though helped by the sale of non-performing loans too in 4Q. The provision coverage improved to 87.4%.

Despite the worsening operating environment, DSK Group managed to maintain its profitability. In 2010 the bank posted a net result of HUF 18.2 billion. While the result was by 27% lower than a year ago – mainly due to increasing risk costs –, the Bank implemented a stringent cost control and income generation remained strong. In 4Q operating results improved by 1%. Given the substantial risk cost increase of 15%, the quarterly PAT dropped by 31% q-o-q. It was remarkable how successfully the bank maintained its net interest margins. Net interest margin improved both on a yearly and quarterly base reaching 5.77% in 2010 and 6.09% in 4Q 2010. As a result the overall interest income grew by 3% y-o-y. The cost efficiency of DSK remained outstanding; its cost-to-income ratio of 36.1% is the lowest across the Group.

FX-adjusted loan portfolio grew by 1% y-o-y and remained flat q-o-q, whereas deposits expanded by 3% over the past twelve months. As a result the net loan-to-deposit ratio further dropped (115%). Portfolio quality showed further deterioration, true, with some moderation, and DPD90+ ratio stood at 11% by the end-of December. The coverage ratio (82%) grew substantially in 4Q and remained well above the Group average.

OTP Bank Ukraine posted a sizeable, HUF 8.9 billion after tax profit in 2010, of which the 4Q PAT represented HUF 2.9 billion. The favourable earnings were supported by a one-off tax shield effect of HUF 3.2 billion. Still, the most important factor was the steady decline of risk costs which dropped by almost 70% y-o-y. Portfolio deterioration further continued and DPD90+ reached 29.3% at the end of December but its pace slowed down (+0.5%-point q-o-q). Also, the share of restructured retail loans within the framework of the debtor protection scheme declined and represented 41.2% of total retail book.

Lending activity was held back by administrative hurdles and also by expensive UAH lending rates, as a result, total loan volumes dropped by 7% y-o-y (adjusted for the FX-effect). However, from 2H the corporate segment already showed sign of recovery; that part of the book grew by 6% q-o-q. FX-adjusted deposit volumes grew by 4%, accordingly the net loan-to-deposit ratio improved by a remarkable 54%-points and dropped to 283%. Despite the stubbornly high underlying inflation (around 10%) operating expenses grew by mare 3%. As the total income dropped by 30% y-o-y, the Bank's cost-to-income ratio increased by 9.6%-points y-o-y and reached 44.1%.

Besides the three big subsidiaries, OTP banka Hrvatska (Croatia) also captured positive result; its 2010 net profit reached HUF 2.7 billion. The y-o-y 16% decline was mainly due to the significant increase of risk costs (+60%). Operating profit increased nicely, by 16% y-o-y. The 4Q 2010 DPD90+ ratio (12.8%) improved by 0.9%-point q-o-q, whereas its provision coverage increased by 3%-points. OBH has the lowest net loan-to-deposit ratio across the Group (86%).

OTP Bank Romania (OBR) posted HUF 6.4 billion loss in 2010; 4Q losses amounted to HUF 2.2 billion. While operating profit showed an excellent picture (+41% y-o-y) it could not offset the negative impact of trebling risk costs. The most significant portfolio deterioration was observed in the corporate and mortgage segments. DPD90+ ratio reached 10.6%. The net loan-to-deposit ratio stood at 270%, after a 49%-points y-o-y FX-adjusted improvement. Amid the difficult operating environment, the Bank implemented stringent cost control, cost-to-income ratio (56.9%) improved by 9%-points y-o-y.

The Slovakian subsidiary realized HUF 1 billion loss in 2010 versus the negative earning of HUF 6.5 billion a year ago. Operating profit improved by 13% y-o-y, within that net interest income expanded by 7%. Net interest margin nicely grew and was at 3.09% (+50 bps y-o-y). The annual cost-to-income ratio declined by almost 3% y-o-y, despite a seasonal increase in 4Q. DPD90+ ratio basically remained flat (10.2%), its coverage grew (56.1%). The total loan portfolio yet declined on a yearly base; however the retail segment showed a recovery already (+3%). Net loan-to-deposit ratio remained flat (100%).

The Serbian subsidiary remained in red, though its 2010 loss of HUF 7.3 billion is lower than in the previous year. The loan portfolio decline continued. The weak total income was only partly offset by the stringent cost efficiency (expenses dropped by a remarkable 37% y-o-y). The portfolio quality further deteriorated, the DPD90+ ratio (47.8%) was the weakest across the Group. Risk cost grew by 16% y-o-y and DPD90+ coverage improved by 3.5%-points y-o-y reaching 43.7%).

After the positive 3Q results of HUF 1 billion CKB Montenegro posted another loss making quarter, thus the whole year loss amounted to HUF 16.8 billion. 4Q losses were partly related to increasing risk costs, though core banking revenues also declined. By the end of the year DPD90+ reached 26.6%. The coverage also grew by 21.2%-points y-o-y. FX-adjusted loan book contracted by 15%, deposit decline was somewhat less meaningful. As a result, the net loan-to-deposit ratio improved by 23%-points (adjusted for the FX-effect). Operating expenses were under control throughout the whole year, but the significant decline in revenues resulted a sharply increasing cost-to-income ratio (from 46.1% to 60.9%).

By the end of 2010 OTP Group had 1,486 branches (-28 branches y-o-y, -7 branches q-o-q). The most sizeable decline in the past twelve months was realized in Ukraine (-27 branches), whereas in other cases banks rather focused on network rationalizations. By the end of 2010 the number of employees exceeded 30 thousand people. In 2010 significant lay-offs took place only in Ukraine.

Credit ratings, shareholder structure

OTP Bank's credit rating reflected the changes in the sovereign ratings. In December 2010 Moody's downgraded the Bank's deposit rating from "Baa1" to "Baa3", the unsecured FX bond ratings changed to "Baa2". All relevant outlook remained "Negative". There was no change in the Bank's S&P rating, it remained "BB+", the outlook is "Stable". There was no change in the rating of other group members.

As for the ownership structure, in 4Q the ownership of OTP shares at Lazard Asset Management exceeded 5% (16.5 million pieces), thus currently four investors hold more than 5% stake in the Company. Besides Lazard, they were the Rahimkulov family (9.0%), MOL (Hungarian Oil and Gas Company) (8.6%) and Groupama (8.3%).

POST BALANCE SHEET EVENTS

Hungary

- Effective from 1 January 2011, the Board of Directors appointed dr. László Utassy to Chairman and CEO of Merkantil Bank Ltd., a 100% subsidiary of OTP Bank. Dr. Norbert Szaniszló, who was appointed to acting CEO of Merkantil Bank Ltd. effective from 19 November 2010, resumed his pre-appointment position as deputy CEO of Merkantil Bank Ltd. from 1 January 2010.
- According to the preliminary data, altogether 17,641 members of OTP Private Pension Fund opted for maintaining their membership until the deadline.
- Effective from 1 February 2011, Dr. György Szapáry resigned from his title as member of the Board of Directors because he has been appointed Ambassador of the Hungarian Republic to the United States in Washington DC.
- On 4 February 2011 Hungarian Economy Minister proposed a HUF 250 billion forint "stability fund" for the 2011 budget to ward off potential risks. The reserves could only be spent if risks materialize.

- On 15 February 2011 the Economy Ministry announced that local governments' shortfall amounted to HUF 247.7 billion, compared with the ministry's estimate of HUF 190 billion forint when calculating the total 2010 budget deficit of 3.8%.
- On 1 March 2011, the Hungarian Government announced series of structural changes targeting seven key areas, namely the labour market, the pension system, public transportation, tertiary education system, drug subsidy, local governments and taxation. As a result of the contemplated measures the fiscal deficit is expected to drop to 1.9% of GDP in 2014 and the gross public debt-to-GDP to around 66%.

Russia

- Effective from 1 February 2011, the Russian central bank raised mandatory reserve requirements. The required reserve ratio on credit institutions' liabilities to non-resident banks was raised from 2.5% to 3.5%, and the required reserve ratio on liabilities to individuals and other liabilities increased from 2.5% to 3.0%.
- On 25 February 2011, the Russian central bank hiked the base rate by 25 bps to 8.0% due to inflationary pressure.

Ukraine

- In mid-February 2011, the IMF mission extended its talks with Ukraine by 3 days before deciding on the USD 1.55 billion third tranche of a USD 15.6 billion loan.

Romania

- On 8 February 2011 the International Monetary Fund, the European Union and Romania reached an agreement on a new 2-year, EUR 5 billion precautionary loan. Romania won't draw money from the new agreement.

Serbia

- The central bank announced on 8 February 2011 that it will restart three-month currency-swap auctions on March 1 (which were suspended in July 2010), with an aim to help develop the domestic interbank swap market and to contribute to more efficient liquidity management.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)[2]

in HUF million	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Consolidated after tax profit	**150,206**	**117,880**	**-22%**	**20,284**	**30,941**	**17,180**	**-44%**	**-15%**
Profit of the strategic short position[1] (after tax)	-1,912	0	-100%	0	0	0		
Dividend and total net cash transfers (consolidated)	792	488	-38%	-102	303	114	-62%	-211%
Goodwill impairment charges (after tax)[2]	0	-15,001		0	0	0		
Special tax on financial institutions (after corporate income tax)	0	-29,471	0%	0	-14,725	-14,746	0%	0%
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, goodwill impairment charges and special financial institution taxes	**151,326**	**161,864**	**7%**	**20,386**	**45,362**	**31,812**	**-30%**	**56%**
Banks total without one-off items[3]	145,844	158,725	9%	18,742	41,904	35,132	-16%	87%
OTP CORE (Hungary)	182,699	146,572	-20%	36,716	28,581	35,114	23%	-4%
Corporate Centre (after tax)[4]	-10,478	-6,713	-36%	744	-3,271	-3,526	8%	-574%
OTP Bank Russia	3,086	20,546	566%	1,732	8,696	7,035	-19%	306%
CJSC OTP Bank (Ukraine)	-43,650	8,928	-120%	-14,423	4,959	2,862	-42%	-120%
DSK Bank (Bulgaria)[5]	24,797	18,186	-27%	7,278	5,292	3,675	-31%	-50%
OBR adj. (Romania)	1,136	-6,406	-664%	384	-2,142	-2,210	3%	-676%
OTP banka Srbija (Serbia)	-8,990	-7,312	-19%	-7,920	-1,935	-3,958	105%	-50%
OBH (Croatia)	3,245	2,721	-16%	693	547	1,005	84%	45%
OBS (Slovakia)	-6,673	-952	-86%	-5,654	172	-125	-173%	-98%
OBS, adj.	-6,429	-952	-85%	-5,653	172	-125	-173%	-98%
OBS one-off items[6]	-244	-	-100%	-1	-	-		-100%
CKB (Montenegro)	428	-16,844	-	-809	1,005	-4,740	-572%	486%
Leasing	-1,246	-6,337	408%	-1,256	744	-4,610	-720%	267%
Merkantil Bank + Car, adj. (Hungary)[7]	-68	-4,123		-65	63	-3,216		
Merkantil Bank + Car one-off items[8]	12	0	-100%	0	0	0		
Foreign leasing companies (Slovakia, Croatia, Bulgaria, Romania)[9]	-1,191	-2,214	86%	-1,191	681	-1,394	-305%	17%
Asset Management	5,104	7,448	46%	1,443	1,589	1,551	-2%	8%
OTP Asset Management (Hungary)	5,124	7,456	46%	1,443	1,585	1,566	-1%	9%
Foreign Asset Management Companies (Ukraine, Romania)[10]	-20	-8	-61%	-1	4	-15	-453%	
Other Hungarian Subsidiaries	-2,148	-994	-54%	-1,465	103	-1,641		12%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Cyprus, Romania, Belize)[11]	3,404	-6	-100%	2,844	49	25	-49%	-99%
Eliminations	612	3,003	391%	79	947	1,356	43%	
Total after tax profit of HUNGARIAN subsidiaries[12]	175,754	145,201	-17%	37,454	28,008	29,653	6%	-21%
Total after tax profit of FOREIGN subsidiaries[13]	-24,428	16,665	-168%	-17,067	17,356	2,160	-88%	-113%
Share of foreign profit contribution, %	-16%	10%	26%	-84%	38%	7%	-31%	91%

[2] Belonging footnotes are in the Supplementary data section of the Report.

CONSOLIDATED AND UNCONSOLIDATED, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME[3]

Main components of the Statement of recognized income in HUF million	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Consolidated after tax profit	**150,206**	**117,880**	**-22%**	**20,284**	**30,941**	**17,180**	**-44%**	**-15%**
Dividends and net cash transfers (after tax)	792	488	-38%	-102	303	114	-62%	-211%
Profit of the strategic open FX position (after tax)	-1,912	0	-100%	0	0	0		
Goodwill impairment charges (after tax)	0	-15,001		0	0	0		
Special tax on financial institutions (after corporate income tax)	0	-29,471		0	-14,725	-14,746	0%	
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, goodwill impairment charges and special financial institution taxes	**151,326**	**161,864**	**7%**	**20,386**	**45,362**	**31,812**	**-30%**	**56%**
Before tax profit	**172,080**	**194,396**	**13%**	**24,661**	**47,345**	**38,558**	**-19%**	**56%**
Operating profit	**437,059**	**467,194**	**7%**	**106,879**	**100,766**	**107,267**	**6%**	**0%**
Total income	**786,084**	**821,258**	**4%**	**201,428**	**187,920**	**202,764**	**8%**	**1%**
Net interest income (adj.)	**589,780**	**620,354**	**5%**	**152,780**	**150,260**	**155,130**	**3%**	**2%**
Net interest income without the revaluation result of FX swaps	***589,780***	***601,622***	***2%***	***152,780***	***154,118***	***155,130***	***1%***	***2%***
Net fees and commissions	**132,913**	**136,702**	**3%**	**34,454**	**33,997**	**37,581**	**11%**	**9%**
Other net non-interest income (adj.)	**63,390**	**64,202**	**1%**	**14,194**	**3,663**	**10,053**	**174%**	**-29%**
Foreign exchange result, net (adj.)	-5,919	31,811	-637%	3,730	-2,827	7,310	-359%	96%
Gain/loss on securities, net (adj.)	7,459	14,915	100%	175	1,949	183	-91%	5%
Net other non-interest result (adj.)	61,851	17,476	-72%	10,290	4,542	2,560	-44%	-75%
Operating expenses	**-349,024**	**-354,065**	**1%**	**-94,549**	**-87,154**	**-95,496**	**10%**	**1%**
Personnel expenses	-155,516	-160,725	3%	-40,793	-40,541	-42,808	6%	5%
Depreciation (adj.)	-45,141	-48,805	8%	-13,673	-12,621	-12,702	1%	-7%
Other expenses (adj.)	-148,367	-144,535	-3%	-40,084	-33,992	-39,986	18%	0%
Total risk costs	**-264,979**	**-272,797**	**3%**	**-82,219**	**-53,422**	**-68,709**	**29%**	**-16%**
Provision for loan losses (adj.)	-246,935	-273,139	11%	-79,406	-52,697	-69,848	33%	-12%
Other provision	-18,044	342	-102%	-2,813	-724	1,139	-257%	-140%
Corporate taxes	**-20,754**	**-32,533**	**57%**	**-4,274**	**-1,982**	**-6,746**	**240%**	**58%**
INDICATORS (%)	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
ROA	1.6%	1.7%	0.1%	0.8%	1.8%	1.3%	-0.5%	0.5%
ROE	13.4%	12.9%	-0.5%	6.8%	13.6%	9.6%	-4.0%	2.8%
Operating profit margin (adj.)	4.57%	4.78%	0.21%	4.36%	3.97%	4.31%	0.34%	-0.05%
Total income margin (adj.)	8.22%	8.41%	0.19%	8.22%	7.40%	8.14%	0.75%	-0.07%
Net interest margin (adj.)	6.17%	6.35%	0.18%	6.23%	5.91%	6.23%	0.32%	0.00%
Net interest margin without the revaluation result of FX swaps	*6.17%*	*6.16%*	*-0.01%*	*6.23%*	*6.07%*	*6.23%*	*0.16%*	*0.00%*
Net fee and commission margin (adj.)	1.39%	1.40%	0.01%	1.41%	1.34%	1.51%	0.17%	0.10%
Net other non-interest income margin (adj.)	0.66%	0.66%	-0.01%	0.58%	0.14%	0.40%	0.26%	-0.18%
Cost-to-asset ratio	3.65%	3.62%	-0.03%	3.86%	3.43%	3.84%	0.41%	-0.02%
Cost/income ratio (adj.)	44.4%	43.1%	-1.3%	46.9%	46.4%	47.1%	0.7%	0.2%
Risk cost for loan losses-to-average gross loans (adj.)	3.57%	3.82%	0.26%	4.59%	2.84%	3.77%	0.94%	-0.82%
Total risk cost-to-asset ratio	2.77%	2.79%	0.02%	3.35%	2.10%	2.76%	0.66%	-0.59%
Effective tax rate	12.1%	16.7%	4.7%	17.3%	4.2%	17.5%	13.3%	0.2%
Non-interest income/total income	25%	24%	-1%	24%	20%	23%	3%	-1%
Comprehensive Income Statement	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Net comprehensive income	**151,661**	**135,690**	**-11%**	**20,230**	**821**	**977**	**19%**	**-95%**
Net profit attributable to equity holders	**151,045**	**117,684**	**-22%**	**21,041**	**30,737**	**17,249**	**-44%**	**-18%**
Consolidated after tax profit	150,206	117,880	-22%	20,284	30,941	17,180	-44%	-15%
(-) Net profit attributable to non-controlling interest	-839	196	-123%	-757	204	-68	-133%	-91%
Fair value adjustment of securities available-for-sale (recognised directly through equity)	**9,941**	**-10,771**	**-208%**	**-3,979**	**11,432**	**-16,443**	**-244%**	**313%**
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	**431**	**335**	**-22%**	**113**	**109**	**13**	**-88%**	**-88%**
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	**-1,543**	**-2,232**	**45%**	**-85**	**2,262**	**-342**	**-115%**	**302%**
Foreign currency translation difference	**-8,213**	**30,674**	**-473%**	**3,140**	**-43,719**	**500**	**-101%**	**-84%**

[3] Adjustments on the consolidated Statement of recognized income are summarised in the Supplementary data section of this report.

- ***The consolidated adjusted 2010 net profit reached HUF 162 billion (+7% y-o-y)***
- ***Operating profit without one-off items equalled 2009 level with HUF 436 billion***
- ***Improving net interest income, stable adjusted net interest margin (2010: 6.16%), outstanding Russian (+48% y-o-y), improving Bulgarian (+3% y-o-y) and stable adjusted Hungarian net interest income***
- ***Effective cost control, improving efficiency (2010 cost-to-income ratio: 43%)***
- ***Risk costs grew by 3% y-o-y, however DPD90+ growth moderated and the coverage improved (2010: 74.4%)***

In 2010 OTP Group posted HUF 162 billion adjusted profit after tax by 7% higher than in 2009. Including the HUF 29.5 billion net effect of the special banking tax, as well as the net HUF 15 billion goodwill write off, the accounting net result is HUF 118 billion (-22% y-o-y). In 4Q the adjusted net profit represented HUF 31.8 billion. The quarterly decline (-30% q-o-q) was a result of seasonally higher operating expenses, q-o-q increasing risk costs (aimed at improving DPD90+ coverage) and higher tax burdens.

In 2010 operating profit reached HUF 467 billion (+7% y-o-y), adjusted by one-off items its volume represented HUF 436 billion, i.e. flat to 2009 level. In 4Q the adjusted operating profit dropped by HUF 5 billion q-o-q (2010 1Q: 109.3 billion, 2Q: 110.4 billion, 3Q: 110.6 billion, 4Q: 105.5 billion) due to seasonally higher costs. It was encouraging that adjusted net interest income improved by HUF 1 billion q-o-q and net fees and commission also showed a better quarterly performance (+HUF 3.6 billion q-o-q).

Regarding the total volume of operating profit in 2010 the following one-off items were realized: within net interest income the Bank posted HUF 22.6 gain on FX swaps revaluation in 2Q and had a loss of HUF 3.9 billion in 3Q. Due to gradually increasing hedging positions throughout 2Q and 3Q, in 4Q there was neither a gain nor a loss because of swap revaluation. Within FX results (other non interest results) the following one-off items occurred: a HUF 8.9 billion gain on the hedging of provisions related to FX loans at OTP Bank Ukraine and revaluation results on the open position, which is held by OTP Core for hedging purposes to offset the revaluation results of FX provisions related to its FX-loan portfolio (in HUF billion: 2010 2Q: +8.0, 3Q: -5.9, 4Q: +1.7, thus FY 2010: +3.8). However, that particular item had no impact on overall profitability since risk costs were adjusted with an identical amount because of the revaluation of the before mentioned FX provisions.

Total income adjusted by one-offs (2010: HUF 790 billion) was basically flat to 2009 (+0.5% y-o-y), whereas in 4Q improved by 2% q-o-q (3Q: HUF 197.7 billion, 4Q: HUF 201.0 billion).

Adjusted net interest income increased by 2% y-o-y and by 1% q-o-q respectively. Net interest margin remained stable (2010: 6.16%) supported by increasing deposit margins. Parallel with the increase of liquidity surplus deposit rates were cut almost in every markets. The Russian interest income improved significantly (by HUF 29 billion, +48% y-o-y) as a result of the stellar performance of consumer lending. Out of the other big markets, OTP Core and DSK managed to repeat their 2009 adjusted net interest income (0% and +3% y-o-y). Those positive trends were somewhat offset by the decline of net interest income in Ukraine, Montenegro and Serbia (-19%, -30% and -37% y-o-y respectively) as a result of the weak business activity and the increase in the number of defaulted clients.

Net fees and commissions grew by 3% y-o-y (+HUF 4 billion) supported by the strong Russian performance (+HUF 4.9 billion y-o-y) of credit card and deposit segments. OTP Fund Management also managed to increase its fee generation (+HUF 1.7 billion y-o-y) through the rapidly increasing volumes of managed assets. 4Q NF&C grew by HUF 3.6 billion due to technical reasons (please see in the Section on OTP Core).

Other non-interest income all-in posted HUF 64.2 billion in 2010, the one-off adjusted result was HUF 51.5 billion. The decline of adjusted other net non interest income was related to base effect. In 2009 all Upper Tier2 repurchase gains (HUF 27.7 billion) were booked at this line, whereas in 2010 there was no such transaction. Non-adjusted 4Q other non-interest income (HUF 10.1 billion) improved as a result of the above mentioned one-off elements. The adjusted income fell short of HUF 1.3 billion q-o-q. (in HUF billion 3Q: 9.6, 4Q: 8.3). The declining result also included the effect of a HUF 2.3 billion loss on the Hungarian securities portfolio as a result of the yield increase of Hungarian government bonds in 4Q (in 3Q the Bank realized HUF 1.2 billion gain due to yield decline).

Operating expenses y-o-y increased by mare 1%. Taking into consideration that in many markets underlying consumer price inflation approached or exceeded 5% (Hungary, Russia, Ukraine Romania, and Serbia), and also that HUF weakened significantly y-o-y, this slight increase reflects fairly successful cost management. Assuming an unchanged cost structure, those two factors (inflation and currency depreciation) would imply a nominal increase of HUF 19 billion y-o-y in the consolidated operating expenses, of which the Group realized only HUF 5 billion increase as a result of ongoing cost rationalization (renegotiating rental- and supplier contracts, optimization of energy consumption, reengineering business processes etc.)

As a result of the further deterioration of the loan book, 2010 total risk costs of HUF 273 billion were by 3% higher than in 2009. However, it was positive that 4Q witnessed one of the lowest FX-adjusted new non-performing loan formation in the previous 8 quarters. Thus the q-o-q 33% increase of risk costs pushed up DPD90+ coverage, too (2010 4Q: 74.4%, +1%-point q-o-q).

The volume of corporate tax paid by the Group increased by 57% y-o-y, partially due to a base effect: in 2009 there was a positive tax-shield effect on above-than-plan goodwill write-off in 2008 resulting in HUF 11.7 billion tax savings (both at OTP Core and OTP Group). Thus the effective tax rate dropped to around 12% in 2009. In 2010, on the other hand, HUF 3.7 billion extra tax had to be paid because of the revaluation gain of subsidiary investments of OTP Bank (for detailed explanation, please see the Section on OTP Core). Given the fairly volatile HUF cross currency rates throughout 2010, this item caused significant moves in the effective tax rate of both OTP Core and OTP Group. (in HUF billion 2010 1Q: 1.6 extra tax, 2Q: 7.1 extra tax, 3Q: 6.0 tax saving, 4Q: 0.9 extra tax). Thus the tax increase of HUF 4.7 billion q-o-q was to a large extent related to that single item.

CONSOLIDATED BALANCE SHEET

Main balance sheet items (in HUF million)	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
TOTAL ASSETS	**9,755,132**	**9,975,685**	**9,780,614**	**-2%**	**0%**
Cash and amount due from banks	505,650	558,709	513,036	-8%	1%
Placements with other banks	440,850	568,654	511,246	-10%	16%
Financial assets at fair value	256,100	243,166	233,667	-4%	-9%
Securities available-for-sale	1,354,285	1,165,820	1,008,097	-14%	-26%
Gross customer loans	**6,907,094**	**7,321,728**	**7,502,331**	**2%**	**9%**
o/w Retail loans	4,291,847	4,569,202	4,769,793	4%	11%
Retail mortgage loans (incl. home equity)	2,703,433	2,858,871	2,983,235	4%	10%
Retail consumer loans	1,149,231	1,272,540	1,335,119	5%	16%
SME loans	439,183	437,790	451,439	3%	3%
Corporate loans	2,161,903	2,301,345	2,286,415	-1%	6%
Loans to medium and large corporates	1,933,848	1,956,878	1,921,660	-2%	-1%
Municipal loans	228,055	344,467	364,755	6%	60%
Car financing loans	387,431	382,009	385,587	1%	0%
Bills and accrued interest receivables related to loans	65,968	69,172	60,535	-12%	-8%
Allowances for loan losses	-494,378	-700,758	-761,296	9%	54%
Equity investments	18,834	16,608	11,552	-30%	-39%
Securities held-to-maturity	188,853	205,474	172,301	-16%	-9%
Intangible assets	476,358	460,689	480,793	4%	1%
Other assets	101,486	135,595	108,887	-20%	7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9,755,132**	**9,975,685**	**9,780,614**	**-2%**	**0%**
Liabilities to credit institutions and governments	802,749	727,112	681,949	-6%	-15%
Customer deposits	**5,688,887**	**5,955,439**	**5,821,489**	**-2%**	**2%**
o/w Retail deposits	4,165,398	4,222,423	4,368,021	3%	5%
Household deposits	3,746,263	3,789,291	3,924,525	4%	5%
SME deposits	419,135	433,133	443,496	2%	6%
Corporate deposits	1,480,496	1,694,657	1,424,631	-16%	-4%
Deposits to medium and large corporates	1,169,837	1,399,391	1,191,319	-15%	2%
Municipal deposits	310,659	295,266	233,312	-21%	-25%
Accrued interest payable related to customer deposits	42,997	38,350	28,836	-25%	-33%
Issued securities	1,410,348	1,085,245	1,035,153	-5%	-27%
Other liabilities	380,708	591,763	642,795	9%	69%
Subordinated bonds and loans	280,834	292,963	290,630	-1%	3%
Total shareholders' equity	**1,191,606**	**1,323,163**	**1,308,598**	**-1%**	**10%**
Indicators	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Loan/deposit ratio	121%	123%	128%	6%	7%
Net loan/(deposit + retail bond) ratio	108%	106%	110%	4%	2%
Net loans	6,346,748	6,551,798	6,680,500	2%	5%
Customer deposits	5,645,890	5,917,089	5,792,653	-2%	3%
Retail bonds	236,733	275,553	283,646	3%	20%
90+ days past due loan volume	671,625	954,266	1,022,950	7%	52%
90+ days past due loans/gross customer loans	9.8%	13.2%	13.7%	0.6%	3.9%
Total provisions/90+ days past due loans	73.6%	73.4%	74.4%	1.0%	0.8%

Consolidated capital adequacy	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	17.2%	18.0%	17.5%	-0.5%	0.3%
Tier1 ratio	13.7%	14.1%	14.0%	-0.1%	0.3%
Core Tier1 ratio	12.0%	12.6%	12.5%	-0.1%	0.5%
Leverage (Total Assets/Shareholder's Equity)	8.2x	7.5x	7.5x		
Regulatory capital (consolidated)	1,194,508	1,337,286	1,304,144	-2%	9%
o/w Tier1 Capital	952,416	1,047,573	1,045,977	0%	10%
o/w Hybrid Tier1 Capital	118,278	114,134	112,812	-1%	-5%
Tier2 Capital	242,521	290,150	258,632	-11%	7%
Deductions from the regulatory capital	-428	-437	-464	6%	8%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	6,942,437	7,429,742	7,462,128	0%	7%
Closing exchange rate of the HUF	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
EURHUF	271	277	279	1%	3%
CHFHUF	182	208	223	7%	22%
USDHUF	188	203	209	3%	11%
JPYHUF	204	244	257	5%	26%

- ***FX adjusted loan book stagnated y-o-y, but showed continuous growth in 2H 2010***
- ***Outstanding consumer loan origination in Russia (+61% y-o-y, +19% q-o-q), Ukrainian corporate volumes also started growing from 2H 2010 with 4Q 6% q-o-q growth***
- ***Deposit volumes remained flat y-o-y, -3% q-o-q***
- ***The FX-adjusted yearly improvement of net loan/(deposit + retail bond) ratio was 5% (2010: 110%)***
- ***While portfolio quality further deteriorated and DPD90+ reached 13.7%, its pace moderated y-o-y***

Note on methodological change: starting from 4Q 2010 the loan book of OTP Flat Lease was reclassified from corporate exposures into mortgage and SME loans (the total reclassified volume represented HUF 32 billion and 6 billion respectively). Furthermore, the DPD90+ volumes of those loans were booked within consolidated statistics. Given the limited impact of those changes, we didn't adjust the figures of the base periods, thus both y-o-y and q-o-q volume dynamics for the before mentioned product categories, as well as changes in risk indicators are affected by this technical effect.

The consolidated loan portfolio grew by 9% y-o-y and 2% q-o-q in nominal terms. However after adjusting for technical effects (ie. FX-movements, reclassification of municipality bonds in 2Q and that of the home leasing in 4Q), loan book basically remained flat y-o-y (-0.3%), but kept growing moderately in 4Q (+0.4% q-o-q). It was only the Russian market enjoying a significant volume growth: the FX-adjusted portfolio expanded by 24%, within that the retail book increased by 46%. The core products of OTP Bank Russia demonstrated a spectacular expansion: POS-lending grew by 58% y-o-y (+24% q-o-q), credit card loan volumes increased even faster, by 72% y-o-y (+12% q-o-q).

It was also positive, that out of significant markets the Hungarian large corporate segment grew by 1% y-o-y and the SME segment – though being fairly small – expanded by 7% respectively. Furthermore, in Bulgaria both mortgages and corporate exposure grew by 4% y-o-y, while in Ukraine the corporate lending started recovering from 2H 2010 and in 4Q already grew by 6% q-o-q.

In smaller markets adjusted volumes rather contracted – Montenegro suffered the single most sizeable decline of 15% y-o-y –, though in particular segments some revival could be observed reflecting the efforts of the local managements and also the gradually reviving loan demand. In Romania mortgages grew by 5% y-o-y and SME by 15%, in Croatia personal loans expanded by 9%, in Serbia consumer credits grew by 20%, while in Slovakia the retail segment advanced by 3%. In Montenegro, however all major loan categories dropped by two digits.

FX-adjusted deposit volumes stagnated y-o-y and decreased by 3% q-o-q, mainly due to a drop of corporate savings at OTP Core (-8% y-o-y and -22% q-o-q). The significant volume decline was related to deposit withdrawals by OTP Fund Management and Hungarian municipalities. Reasons were partially seasonal, but local tax collection also fell short at municipalities. It was positive, however, that consolidated retail deposits grew by 3% q-o-q.

Across the group the biggest deposit increase was achieved in Russia (+18% y-o-y), retail savings grew even faster there, by 22% y-o-y, but volumes grew nicely in Serbia and Romania, too (+14 and 13% respectively). Given its absolute size, the deposit growth in Bulgaria was also meaningful (+3%).

In Hungary OTP Core suffered a deposit decrease of 2% y-o-y and 5% q-o-q due to the above mentioned deposit withdrawals. In the last quarter retail deposits already started growing as a result of the higher local interest rate environment.

At the end of 2010 the consolidated net loan/(deposit + retail bond) ratio stood at 110% (the FX-adjusted quarterly change was +2%-points). The lowest ratio was achieved in Hungary (89%), at CKB (75%) and OBH (86%), whereas Ukraine (283%), Romania (270%) and Serbia (189%) were the countries with the highest net loan-to-deposit ratios.

The overall volume of issued securities dropped significantly y-o-y (-27%) and more moderately in 4Q (-5%). There were a big redemptions in March (EUR 1 billion covered bonds), in July and also in December (EUR 500 million and EUR 300 million senior bonds). Those maturities were paid back at the expense of liquid reserves. The volume decline was somewhat mitigated by the y-o-y HUF 47 billion increase of HUF bonds sold to retail clients, as well as by HUF 39 billion increase in HUF senior bonds sold to Hungarian institutions. There were two capital market exercises in the past twelve months: in April OTP Mortgage Bank tapped the market with a 2 year, EUR 300 million mortgage bond transaction (of which app. EUR 90 million was sold to investors outside OTP Group), and in February OTP Bank issued a smaller size, CHF 100 million senior bond with 2 year tenor.

The Lower and Upper Tier 2 volumes remained flat y-o-y (in EUR terms); there was no buyback of any outstanding OTP issues.

CONSOLIDATED CAPITAL ADEQUACY RATIO (IN ACCORDANCE WITH BASEL II)

At the end of 2010 regulatory capital of OTP Group represented HUF 1,304 billion, while the preliminary estimated risk-weighted-assets, taking into account the capital needs for credit-, market- and operational risks too, stood at HUF 7,462 billion. CAR stood at 17.5% with Tier1 (after deducting goodwill and intangible assets) at 14.0% and Core Tier1 (further deducting hybrid instruments) at 12.5% respectively.

The outstandingly high and safe capital position of the Bank is reflected by the 16.2% Tier1 ratio of OTP Group forecast for 2011, which is the second best among the tested 91 banks based on the European CEBS stress-test completed in July 2010.

OTP BANK'S HUNGARIAN CORE BUSINESS[4]

OTP Core Statement of recognized income:

Main components of the Statement of recognized income in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
OTP CORE after-tax profit w/o dividends and net cash transfer	182,699	146,572	-20%	36,716	28,581	35,114	23%	-4%
OTP CORE pre-tax profit	198,716	174,025	-12%	38,256	27,925	43,477	56%	14%
Operating profit	270,533	288,378	7%	59,911	56,111	61,621	10%	3%
Total income	450,137	466,952	4%	106,588	99,453	109,949	11%	3%
Net interest income	325,142	343,513	6%	82,173	79,190	84,775	7%	3%
Net interest income without the revaluation result of FX swaps	*325,142*	*324,782*	*0%*	*82,173*	*83,047*	*84,775*	*2%*	*3%*
Net fees and commissions	88,379	84,806	-4%	22,415	20,095	22,581	12%	1%
Other net non-interest income	36,616	38,632	6%	2,001	168	2,593	1441%	30%
Operating expenses	-179,604	-178,573	-1%	-46,677	-43,343	-48,328	12%	4%
Total provisions	-71,817	-114,354	59%	-21,656	-28,186	-18,144	-36%	-16%
Provisions for loan losses	-72,530	-115,066	59%	-23,424	-25,867	-21,622	-16%	-8%
Other provisions	713	712	0%	1,768	-2,319	3,478	-250%	97%
Revenues by Business Lines								
RETAIL								
Total income	325,304	323,137	-1%	77,158	82,464	78,393	-5%	2%
Net interest income	241,732	243,875	1%	56,390	62,582	59,407	-5%	5%
Net fees and commissions	78,478	74,827	-5%	19,552	18,669	18,312	-2%	-6%
Other net non-interest income	5,094	4,435	-13%	1,216	1,213	673	-45%	-45%
CORPORATE								
Total income	36,221	40,363	11%	10,891	9,034	12,705	41%	17%
Net interest income	23,707	26,693	13%	6,562	6,964	7,220	4%	10%
Net fees and commissions	11,025	12,374	12%	3,973	1,716	5,288	208%	33%
Other net non-interest income	1,489	1,296	-13%	355	355	197	-45%	-45%
Treasury ALM								
Total income	85,894	106,151	24%	19,708	8,212	21,124	157%	7%
Net interest income	59,704	72,945	22%	19,220	9,644	18,147	88%	-6%
Net fees and commissions	1,274	1,438	13%	195	420	363	-13%	87%
Other net non-interest income	24,917	31,768	27%	294	-1,852	2,613	-241%	790%

[4] The Bank's IFRS **unconsolidated** condensed financial statements are available on the website of the Budapest Stock Exchange (www.bse.com), on the website of HFSA (www.kozzetetelek.hu) and on the website of OTP Bank (www.otpbank.hu).

Indicators (%)	2009	2010	Y-o-Y	2009 4Q	2010 3Q	2010 4Q	Q-o-Q	Y-o-Y
ROA	2.9%	2.2%	-0.7%	2.2%	1.7%	2.1%	0.4%	-0.1%
ROE	18.7%	13.7%	-5.0%	14.8%	10.3%	12.4%	2.1%	-2.4%
Total income margin	7.24%	7.17%	-0.08%	6.47%	5.90%	6.61%	0.71%	0.14%
Net interest margin	5.23%	5.27%	0.04%	4.99%	4.70%	5.10%	0.40%	0.11%
Net interest margin without the revaluation result of FX swaps	*5.23%*	*4.98%*	*-0.25%*	*4.99%*	*4.93%*	*5.10%*	*0.17%*	*0.11%*
Cost of risk/average gross loans	2.21%	3.39%	1.18%	2.87%	2.91%	2.42%	-0.49%	-0.46%
Cost/income ratio	39.9%	38.2%	-1.7%	43.8%	43.6%	44.0%	0.4%	0.2%
Effective tax rate	8.1%	15.8%	7.7%	4.0%	-2.3%	19.2%	21.6%	15.2%

- ***Y-o-y decreasing net profit (-20%) as a result of increasing risk costs (+59%)***
- ***In 4Q 2010, slow-down in portfolio quality deterioration and diminishing level of risk costs q-o-q, stable provision coverage of DPD90+ loans (2010: 78%)***
- ***Growing corporate volumes y/y, stabilizing mortgage book in 2H 2010***
- ***Continuous market leadership in new disbursements of mortgages and personal loans***
- ***Stringent cost control (full year operating expenses decreasing by 1%)***

Methodological note: methodology for the calculation of the financials of OTP Core (Hungarian core business) and Corporate Centre has changed from 2Q 2010 on. According to the refined methodology, neither the aggregated net profit of OTP Core and the Corporate Centre, nor the consolidated financials for OTP Group is changed, only the profit allocation between the two entities, particular items of the balance sheet and some indices are modified. The note describing the methodological change is available in the 'Supplementary Data' section of OTP Bank's Half-year Financial Report published on 12 August 2010. The data set under the old methodology is published in the 'Supplementary Data' section of this report too. Tables and analysis in the main text of the report only contain financials calculated according to the refined methodology.

P&L developments

Excluding the effect of the special banking tax, OTP Core's net profit for the full year of 2010 at HUF 146.6 billion represents a decline of 20% y-o-y. Total income, rising by 4% due to one-offs, and the declining operating expenses (-1% y-o-y) resulted in a record high operating profit, amounting to HUF 288 billion. Improvement in total operating income was stemming from the increasing income of the treasury department's asset liability management activity (boosted significantly by one-off items). The contribution of the retail segment to total income slightly diminished due to the decreasing level of card related net fees. The portfolio quality deterioration as well as the management's intention to increase the provision coverage of the non-performing book, however, required a likewise exceptional, HUF 114 billion amount of risk cost, as a result, the coverage of non-performing loans grew to 78.2% +3.3%-points y-o-y).

The net profit for the full year of 2010 was enhanced by significant one-off elements[5]: HUF 18.7 billion fair value adjustment gain was generated on the revaluation of FX-swaps (booked within net interest income in 2Q: HUF 22.6 billion gain, in 3Q: 3.9 billion loss, in 4Q no further P&L impact occurred given that the Bank entered into hedging derivative contracts during 2Q-3Q 2010, bringing the sensitivity of the swap book to changes in the basis swap spreads close to zero), HUF 8.9 billion before tax FX-gain (within other non-interest income in 2Q) was realized on FX hedging transactions related to the FX-loans provisions at OTP Bank Ukraine, finally HUF 7.1 billion gain on securities was generated (again within other non interest income: in HUF billion in 1Q: +6.5, in 2Q: +1.6, in 3Q: +1.2, in 4Q: -2.3).

Without having any impact on the bottom line profitability, another one-off item had an impact on the structure of earnings. HUF 3.8 billion revaluation gain, related to the balance sheet positions held to hedge the revaluation result of FX provisions of FX loans at OTP Core, was booked as other non-interest income for the full year of 2010 (in HUF billion: in 2Q: 8.0 gain, in 3Q: 5.9 loss, in 4Q: 1.7 gain). This profit was fully offset amongst the risk

[5] Reminder: full year profit for 2009 included the following one-off elements. A pre-tax profit of HUF 27.7 billion was realized (accounted within other net non-interest income) on the repurchase of own Upper Tier2 Capital elements (in HUF billion: in 1Q 2009: 19.6, in 2Q: 5.5, in 3Q: 2.6, in 4Q: 0.1). On the open FX-positions above the strategic FX-positions HUF 11.3 billion pre-tax loss was realized in 1Q 2009 (accounted within net foreign exchange gains), however the Bank closed these positions during 2Q with some profits, so the P&L impact for the full year is close to neutral. In 2009 the tax-shield of subsidiary investments has a neutral cumulative effect on OTP Core's net profit; however, the quarterly profit development was affected by the extra HUF 9.5 billion tax-burden generated on the tax-shield in 1Q 2009, while in 2Q HUF 9.4 billion tax saving was achieved. Furthermore in 3Q 2009, the positive tax burden constituted a significant one-timer item. It was the implication of a legal change: a significant portion of the goodwill write-off in 2008 could not be accounted as part of the 2008 corporate tax base, but the legal change allowed the Bank to account that in a single amount in 3Q 2009 under IFRS. That amendment trimmed the IFRS tax burden of OTP Core by HUF 11.7 billion in 3Q. In addition, provisioning in the P&L OTP Bank (Hungary) under HAR for Ukrainian loan guarantees in 4Q 2009 significantly lowered the tax base and tax payable, thus the IFRS tax amount as well. In the stock exchange report – in accordance with IFRS requirements - we present the above mentioned risk cost as part of the Ukrainian performance, but its tax effect is presented in the results of OTP Core. With this effect, the effective tax rate of OTP Core (2009: 8%) remained below the normal 19% rate.

cost, the latter being by HUF 3.8 billion higher in FY 2010 (growing by HUF 8.0 billion in 2Q, decreasing by HUF 5.9 billion in 3Q, whereas growing again by HUF 1.7 billion in 4Q).

The HUF 6.5 billion quarterly increase in OTP Core's net profit (to HUF 35.1 billion) is the resultant of two factors: pre tax profit grew by HUF 15.5 billion q-o-q, whereas the corporate tax amount also increased by HUF 9.0 billion. Improvement in pre tax profitability is attributable partly to growing income level mostly driven by one-off items (+HUF 10.5 billion q-o-q) and also to declining risk costs (-HUF 10.0 billion q-o-q). Whereas the increase of tax burden is related to the tax shield effect of the subsidiary investments of OTP Bank. In 3Q 2010 the appreciating HUF resulted a HUF 31.3 billion loss on subsidiary investments, which caused HUF 6.0 billion tax savings. In 4Q, on the contrary, the investments caused HUF 4.8 billion revaluation gain and consequently HUF 0.9 billion extra tax burden in the P&L under the Hungarian Accounting Standards. Under IFRS however, only the tax effect is accounted, but not the revaluation results (subsidiary investments are recorded in the books at historical cost).

The one timers leeding to improving 4Q total income of OTP Core are the following. HUF 3.9 billion q-o-q increase in total income is coming from the improving revaluation result of the swaps (in 3Q: HUF 3.9 billion loss, in 4Q: no P&L effect because of the hedging). Net fees and commissions of the 4Q was boosted by HUF 2.3 billion q-o-q due to the following technical effect: HUF 1.3 billion fee expense (participation, arrangement and agency fees of the EUR 250 million syndicated loan signed in July) was booked into the 3Q net fee result in a lump sum. However in 4Q, the total amount had been reversed and only the time proportionate part of the expense (cca. 25% of the total charge) was accrued in the full year's income statement. Furthermore the result of the positions hedging the revaluation of FX provisions at OTP Core improved by HUF 7.7 billion q-o-q (in 3Q a loss of HUF 5.9 billion, whereas in 4Q a gain of HUF 1.7 billion emerged).

Regarding the driving factors behind y-o-y profit development, the increasing level of risk costs caused the net profit falling y-o-y. The HUF 114.4 billion risk cost level represents a 59% increase y-o-y. While the technical effect of the revaluation of FX provisions had only a relatively insignificant impact (by HUF 3.8 billion more risk costs in 2010), the sizeable growth is mostly explained by the increasing level of the provision coverage during 2010 (the coverage increased by 3.3%-points y/y in 2010 as opposed to the decrease of 7.2%-points in 2009), furthermore the slight acceleration in the portfolio quality deterioration had its negative impact too (the ytd FX adjusted growth in the DPD90+ volumes was HUF 108 billion in 2009 and HUF 118 billion in 2010).

After adjusting for the revaluation of provisions for FX-loans, quarterly risk costs came down from HUF 34.1 billion to HUF 16.4 billion in 4Q (adjusted risk cost rate decreased from 3.58% to 2.23%). The provision coverage remained stable at 78.2% in 4Q.

The speed of the portfolio quality deterioration decelerated further q-o-q: the FX-adjusted quarterly growth in DPD90+ volumes stood at (in HUF billion) 19 in 1Q 2010, 37 in 2Q, 35 in 3Q and 27 in 4Q. The DPD90+ ratio continued to rise from 10.0% to 10.6%.

In terms of portfolio quality deterioration, it was the household and the medium- and large enterprise ('MLE') segment that were leading the way in 4Q. In case of mortgages and consumer loans the DPD90+ rate rose from 7.4% to 8.1% and from 19.1% to 20.4% respectively. In the MLE segment, the ratio went up from 12.6% to 13.7%, whereas SME exposures performed somewhat better: the volume of DPD90+ loans remained unchanged, bringing down the DPD90+ ratio from 12.7% to 12.5%.

To ease the increasing burden of retail FX-debtors through a temporary measure, in June 2010 the Bank lowered the CHF and JPY mortgage rates by 75 bps and 50 bps respectively. Furthermore, due to the lower funding costs, the Bank implemented another 25 bps cut on average in CHF mortgage rates in June 2010, and 30-72 bps cut in mortgage rates of selective product segments (mostly EUR denominated) was carried through in September. Altogether, from the point of view of a CHF mortgage borrower, interest rate cuts equal to approx. HUF 13 appreciation of the CHF/HUF exchange rate.[6] Interest rates of personal loans were lowered too: by 50-75 bps in June for CHF denominated ones and by 37-73 bps in September for HUF denominated ones.

6% y-o-y increase in the full year net interest income is mainly related to a one-off item: as a result of a significant widening of HUF/FX basis swap spreads in 2Q 2010 and a small correction of the spreads in 3Q[7], OTP Core realised a fair value adjustment gain on FX swaps of HUF 18.7 billion booked as interest income in 2Q-3Q 2010 (HUF 22.6 billion gain in 2Q, HUF 3.9 billion loss in 3Q). In order to mitigate the sensitivity of the HUF/FX swap portfolio to possible changes in the basis swap spreads, the Bank entered into derivative contracts during 2Q-3Q 2010; hence is 4Q no further P&L impact was realised from swap revaluation.

[6] Assuming HUF 10 million equivalent CHF mortgage loan with 20 years maturity.

[7] In 2Q 2010, EUR/HUF basis swap spreads of 2 years of maturity increased from 100 bps to 180 bps, by the end of September they descended to close to 150 bps. The fair value adjustment of swaps is recognised only under IFRS; there is no impact at all on HAR-based stand-alone P&L.

The full year net interest income adjusted for the swap-revaluation (2010: HUF 325 billion) remained stagnant y-o-y. The stability was a result of two trends, influencing the net interest income differently. Due to the significantly lower interest-differential result of FX swaps, because of the y-o-y lower HUF interest rate environment, the net interest income of the swaps (excluding the revaluation effect) decreased y-o-y. However, this negative effect was mostly offset by the fact that due to its strong liquidity position, the moderating deposit market competition and the decreasing HUF interest rate environment, the Bank managed to lower its deposit rates compared to 2009 levels.

The full year level of net fees and commissions decreased by 4%. Although they increased by 12% q-o-q, this improvement was chiefly stemming from the aforementioned technical effect.

Other net non-interest income improved 6% y-o-y, despite the significant base effect of the one off items[8] (2010 HUF 38.6 billion, +HUF 2.0 billion y-o-y). The strong result is supported by several factors: due to the remarkable decline of HUF yields in 2010 HUF 7.1 billion gain was realised on the government securities of the trading portfolio (in HUF billion in 1Q: 6.5, in 2Q: 1.6, in 3Q: 1.2, in 4Q: -2.3). Within 2Q 2010 net foreign exchange profit of HUF 8.9 billion was realized on FX hedging transactions related to the FX-loan provisions at OTP Bank Ukraine. Identical amount of loss stemming from the revaluation result of the FX provisions was booked amongst the consolidated capital reserves during the accounting consolidation[9]. Given that from June 2010 the methodology of accounting for the revaluation results of both the provisions and the hedging position was changed, no further results related to the hedging activity was recognised among the FX results of OTP Core in 2H 2010. Also marked as a one-off item, HUF 3.8 billion FX-gain was posted in 2010 (in 2Q: HUF 8.0 billion gain, in 3Q HUF 5.9 billion loss, in 4Q: HUF 1.7 billion gain). This result was realized on a balance sheet position, which is held by OTP Core for hedging purposes to offset the revaluation results of FX provisions related to its FX loan portfolio. According to these the total HUF 3.8 billion foreign exchange gain was offset on the risk cost line in 2010.

As a result of the above mentioned factors, the improvement in other non-interest income (from HUF 0.2 billion in 3Q to HUF 2.6 billion in 4Q) was stemming from the change in the result of the one-offs. While the one-off items' total effect on other non-interest income amounted to a loss of HUF 4.7 billion in 3Q (HUF 5.9 billion FX loss from the positions held to hedge the revaluation results of FX provisions + HUF 1.2 billion gain on securities), in 4Q the total impact was close to neutral (a total loss of HUF 0.6 billion coming from a HUF 2.3 billion loss on securities +HUF 1.7 billion revaluation gain on the positions held to hedge the revaluation results of FX provisions).

Operating expenses showed a slight decrease (-1% y-o-y) in nominal terms, however, given the 4.9% average Hungarian consumer price inflation in 2010, this represents a material improvement in real terms. Major part of the decline was realized on personnel expenses which decreased by 2% or by HUF 1.8 billion y-o-y (2010: HUF 77.8 billion). The significant adjustment is the result of the 6% headcount reduction implemented in 2009: following the lay-off of 477 persons last year, during 2010 there was no meaningful change (2010 closing number of the headcount is: 7,800 persons, -20 person y-o-y). Further reduction in personnel expenses stemmed from the 5%-points decrease in the level of social contributions paid by the employer[10], effective from the beginning of 2010.

Other expenses shrank by 1% y-o-y (2010: HUF 76.3 billion), despite that the HUF 0.5 billion aid transferred to the Hungarian Red Cross to help people suffering flood damages was registered as an other expense item in 2Q 2010. The saving is the result of rigorous cost control and continuous cost rationalisation efforts of the management. Y-o-y savings were achieved on telecommunication-, IT maintenance- and cash carrier-services due to the renegotiation of supplier contracts.

Within the 2010 cost pool, the depreciation (HUF 24.5 billion) shows an 8% y-o-y increase, which is partly due to the fact that in 2010 significant investments were activated, mostly in relation to core IT systems of the Bank. On top of this, as a result of a decrease in cost of entry for new POS terminals, most of the investments in POS appliances qualified for an immediate impairment in 2010 as opposed to previous years, when the amortisation of these assets was accrued over a longer time horizon.

The HUF 5.0 billion q-o-q increase in operating expenses was a result of a seasonal elevation in other expenses. The latter was caused by seasonally higher marketing expenses and advisory fees (+HUF 1.1 billion and +HUF 1.0 billion q-o-q impact respectively). In addition, taxes booked among other expenses went up too (by HUF 0.8 billion q-o-q) as a result of a base effect: the revaluation result of the subsidiary investments showed a loss in 3Q and a gain in 4Q, significantly increasing the tax base of local taxes q-o-q.

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[8] In 2009 the pre-tax gain of HUF 27.7 billion realized on the repurchase of own Upper Tier 2 Capital elements was booked into this line.

[9] A detailed description of this item is available on page 20 of the Half-year Financial Report of OTP Bank Plc. for 1H 2010.

[10] From 1 January 2010, total rate for health insurance- and labour market contribution as well as for the former employers' contribution payable till end-09 (all paid by the employer) decreased from 8% to 3%.

Otherwise personnel expenses increased by HUF 0.6 billion, depreciation remained stable q-o-q.

Main components of OTP Core's Statement of financial position:

Main components of balance sheet (closing balances, in HUF mn)	4Q 2009	3Q 2009	4Q 2010	Q-o-Q	Y-o-Y
Total Assets	6,535,059	6,702,333	6,495,636	-3%	-1%
Gross customer loans	3,208,909	3,511,458	3,584,077	2%	12%
Retail loans	2,186,021	2,316,868	2,376,884	3%	9%
Corporate loans	1,022,888	1,194,590	1,207,194	1%	18%
Allowances for loan losses	-188,502	-275,397	-298,096	8%	58%
Deposits from customers	3,484,896	3,615,560	3,427,845	-5%	-2%
Deposits from customers + retail bonds	*3,721,628*	*3,891,113*	*3,711,491*	*-5%*	*0%*
Retail deposits	2,470,161	2,416,523	2,488,066	3%	1%
Retail deposits + retail bonds	*2,706,894*	*2,692,076*	*2,771,712*	*3%*	*2%*
Corporate deposits	1,014,734	1,199,037	939,779	-22%	-7%
Liabilities to credit institutions and governments	643,281	618,036	559,829	-9%	-13%
Issued securities	953,433	772,647	797,749	3%	-16%
o/w retail bonds	*236,733*	*275,553*	*283,646*	*3%*	*20%*
Total shareholders' equity	1,001,181	1,120,526	1,130,963	1%	13%
Loan Quality (%)	4Q 2009	3Q 2009	4Q 2010	Q-o-Q	Y-o-Y
90+ days past due loan volume	251,594	352,261	381,262	8%	52%
90+ days past due loans/gross customer loans	7.8%	10.0%	10.6%	0.6%	2.8%
Total provisions/90+ days past due loans	74.9%	78.2%	78.2%	0.0%	3.3%
Market Share (%)	4Q 2009	3Q 2009	4Q 2010	Q-o-Q	Y-o-Y
Loans	17.8%	18.3%	18.4%	0.2%	0.6%
Deposits	24.2%	24.7%	24.0%	-0.7%	-0.2%
Total Assets	26.3%	24.9%	24.8%	-0.1%	-1.5%
Indicators (%)	4Q 2009	3Q 2009	4Q 2010	Q-o-Q	Y-o-Y
Gross loans to deposits	92%	97%	105%	7%	12%
Net loans to (deposits + retail bonds)	81%	83%	89%	5%	7%
Leverage (Shareholder's Equity/Total Assets)	15.3%	16.7%	17.4%	0.7%	2.1%
Leverage (Total Assets/Shareholder's Equity)	6,5x	6x	5,7x		
Capital adequacy ratio (OTP Bank, non-consolidated, HAS)	16.2%	17.8%	18.1%	0.4%	1.9%
Tier1 ratio (OTP Bank, non-consolidated, HAS)	13.1%	15.0%	15.4%	0.4%	2.3%

Balance sheet trends

Adjusted for technical effects in 2010 the loan book of OTP Core – primarily due to the corporate business line – increased slightly (+1% y-o-y), while the deposit book – mainly as a result of municipal deposit withdrawal – decreased by 2%. Hence the adjusted "net loans to (deposits + retail bonds) ratio" (4Q 2010: 89%) raised slightly (y-o-y +2%-points, q-o-q +4%-points). The two technical effects were as follows: weakening of the HUF closing rate during 2010 (HUF exchange rate depreciated y-o-y against CHF by 22%, EUR by 3%, while against JPY by 26%), furthermore around HUF 100 billion municipality bonds were reclassified to loans within the assets of OTP Core in 2Q 2010

It is an encouraging tendency that in mortgage loan disbursements since January 2010 the market share in new disbursements started a dynamic growth (the market share from new disbursements without CHF is 1Q 2010: 17%, 2Q: 29%;3Q: 33%, 4Q: 35% 2010 total is: 29%) which means a market leader position again. During the year quarterly disbursements gained momentum gradually (in HUF billion 1Q:14, 2Q: 28, 3Q: 30, 4Q: 31), y-o-y 60% over the disbursements of 2009, however this performance lags behind by 72% to the before-crisis peak in 2008 (mortgage loan disbursement in HUF billion: 2008: 366, 2009: 64, 2010: 103). In the second half of 2010 the ratio of HUF denomination within new origination grew to 100% practically, since from 1 July 2010 OTP Bank suspended the admission of FX-loan applications.

The decision of the Bank's management was a reaction to the 29-points action plan of the new government which contained the intention to stop retail FX-lending. As a result, on 22 July 2010 the parliament enacted an amendment according to which no mortgage is allowed to be established in order to secure FX-denominated retail mortgage loans for private individuals. Due to the favourable developments in origination, FX adjusted mortgage volumes remained flat in 2H 2010 (-2% y-o-y).

Consumer loan portfolio practically remained the same during the year (+1% y-o-y, -1% q-o-q). Thus on a yearly base FX-adjusted growth was experienced in small and large corporate and municipality lending[11] (y-o-y +7%, +1%, and +14% respectively). Even in 2010 the Hungarian corporate sector was supported actively by the Bank: after the loans of HUF 248 billion disbursed in 2009, HUF 230 billion equivalent new loans were originated in 2010. As a result of this, compared to the 7% decrease in the corporate loan volumes of the Hungarian

[11] In compliance with the auditor, the portfolio of municipality bonds underwritten by OTP Bank was reclassified from securities-available-for-sale into customer loans since 2Q 2010. The base periods has not been adjusted accordingly. For information purposes: the size of the relevant bond portfolio (in HUF billion): 3Q 2009: 86; 4Q 2009: 87; 2Q 2010: 99).

banking sector (excluding OTP), the loan book of OTP could increase both in the small and in the large corporate segment in 2010.

The FX-adjusted deposit base of OTP Core, taking into consideration the portfolio of proxy-deposit retail bonds decreased by 1% y-o-y, and by 5% in 4Q 2010. The slow-down of deposit growth is primarily caused by the deposit withdrawal of municipalities (-26% y-o-y), large corporate deposits remained flat (-2%), whereas the total amount of retail deposits and bonds – although slower than in 2009 – grew continuously (+3%).

In 4Q the retail deposit base increased further (combined with bonds +3%), however corporate deposit book decreased by 22% q-o-q. The 22% decline of medium and large corporate deposits is mainly due to the deposit withdrawal of the funds managed by OTP Fund Management (decrease of portfolio: HUF 163 billion q-o-q) – in 4Q the maturing term deposits of the Funds were allocated into government papers by OTP Fund Management. The 22% q-o-q drop of the municipality deposit book is partially reasoned by seasonal effects: due to the local taxes collected in September, the closing volume in 3Q is usually higher. However, as a result of lower local tax revenues due to the crisis, the municipality deposit book at 2010 year end lagged behind the customary HUF 250 billion level of the previous years' (-26% y-o-y).

The amount of issued securities (4Q 2010: HUF 797 billion, -16% y-o-y and +3% q-o-q) was mostly influenced by the maturing mortgage bonds. Most sizeable among these was the EUR 1 billion mortgage bond redemption on 4 March 2010 (at 2010 year end closing rate HUF 279 billion). This effect was partly offset by several factors: the above mentioned retail bond issuance resulted in a HUF 47 billion portfolio growth y-o-y. On the top of that the amount of senior bonds issued to Hungarian institutional investors increased by HUF 39 billion y-o-y. Furthermore, in 2010 there was one significant wholesale issue: in April 2010 OTP Mortgage Bank issued EUR 300 million tap mortgage bond issue (together with the December 2009 issue HUF 1.35 billion), with 2 years of maturity under its EUR 3 billion EMTN programme. However, out of the total EUR 1.35 billion only EUR 90 million (approximately HUF 25 billion) was underwritten by investors from outside OTP Group, rest of the bonds were bought by OTP Bank and partly utilised as collateral behind repo transactions.

The HUF 25 billion q-o-q increase in the volume of issued securities is the result of the HUF issuances to institutional investors (HUF +16 billion q-o-q, thus 4Q 2010 closing volume is HUF 63 billion). Beside of this, growing by HUF 8 billion q-o-q, the outstanding volume of retail bonds reached HUF 284 billion (cca. EUR 1 billion) by the end of 2010.

OTP FUND MANAGEMENT (HUNGARY)

Changes in assets under management and financial performance of OTP Fund Management:

Main components of P&L account in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfer and banking tax	5,124	7,456	46%	1,443	1,585	1,566	-1%	9%
Pre-tax profit	6,400	8,913	39%	1,822	1,957	1,847	-6%	1%
Total income	8,062	9,815	22%	2,562	2,404	2,489	4%	-3%
Fund management fee	10,025	13,431	34%	10,025	3,301	3,638	10%	-64%
Fund management fee (%)	1.44%	1.31%	*-0.1%*	1.44%	1.24%	1.30%	*-0.1%*	*0.1%*
Wealth management fee	3,305	3,346	1%	933	836	766	-8%	-18%
Wealth management fee (%)	0.40%	0.32%	*-0.1%*	0.39%	0.32%	0.28%	*-0.1%*	*0.0%*
Other income	40	-27	-167%	-6,840	5	-192		-97%
Dealer commission	-5,309	-6,935	31%	-1,557	-1,737	-1,724	-1%	11%
Operating expenses	-1,519	-1,763	16%	-597	-447	-617	38%	3%
Personnel expenses	-634	-686	8%	-279	-135	-267	97%	-4%
Operating expenses	-863	-1,058	23%	-313	-307	-344	12%	10%
Depreciation	-22	-19	-15%	-5	-5	-5	20%	13%
Main components of balance sheet closing balances in HUF mn	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
Total assets	10,933	12,963	19%	10,933	12,800	12,963	1%	19%
Total shareholders' equity	9,059	11,389	26%	9,059	11,287	11,389	1%	26%
Asset under management in HUF billion	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
OTP Funds	862.7	1,110.7	29%	862.7	1,111.1	1,110.7	0%	29%
money market	299.2	333.9	12%	299.2	349.3	333.9	-4%	12%
bond	105.9	158.3	49%	105.9	133.1	158.3	19%	49%
mixed	14.8	15.1	2%	14.8	15.3	15.1	-1%	2%
security	306.8	483.6	58%	306.8	462.1	483.6	5%	58%
guaranteed	117.6	93.1	-21%	117.6	124.7	93.1	-25%	-21%
other	18.5	26.7	44%	18.5	26.6	26.7	0%	44%

Asset under management in HUF billion	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Pension Funds	758.2	874.0	15%	758.2	857.4	874.0	2%	15%
o/w OTP Funds	737.5	850.4	15%	737.5	834.8	850.4	2%	15%
Other pension funds	20.7	23.6	14%	20.7	22.6	23.6	4%	14%
Other Institutional Investors	198.1	213.0	8%	198.1	216.6	213.0	-2%	8%
Assets under management, total	**1,819.0**	**2,197.7**	**21%**	**1,819.0**	**2,185.1**	**2,197.7**	**1%**	**21%**

OTP Fund Management posted HUF 7.5 billion net profit for 2010 (+46% y-o-y) o/w HUF 1.6 billion was realized in the fourth quarter.

The year of 2010 was characterized by rapidly changing investment sentiment. The favourable trend experienced in the first half of the year was a consequence of the slowly returning retail investors' confidence, while in 2H the activity of institutional investors strengthened due to the recovery of the stock markets. Despite the year-end redemptions of retail investors the total asset of investment funds increased further and it had a positive impact on income generation. The fund management fee of the Company realized in 2010 increased by almost 34% y-o-y, which represents a 1.31% fee charge on the average portfolio. The wealth management fee (HUF 3.3 billion) was stable on a yearly comparison. Operating expenses showed a 16% growth y-o-y o/w the higher level of personnel expenses is reflecting seasonal effect, mainly caused by the paid bonuses in December.

Regarding the investment funds the volume of asset increased on a yearly basis mainly as a consequence of significant capital inflow and due to the favourable yield environment. During the year 2010 the net asset of securities funds increased by 27%, in 4Q 2010 there was a capital inflow in the volume of HUF 4.4 billion. Money market and equity funds suffered a capital withdrawal caused by the year-end redemptions of retail investors, however the transfer of institutional investors had positive impact on private institutional equity funds.

Total asset of funds managed by OTP Fund Management increased by 30%, however the asset of money market and mixed funds decreased as a result of above mentioned factors. However the capital-inflow of bond fund was almost HUF 25 billion (o/w OTP Optima: HUF -1 billion, OTP Private Bond Fund: +HUF 26 billion).

The volume of assets under management in the pension funds increased further in quarterly and yearly comparison (+2% q-o-q, +15% y-o-y). At the end of December 2010 the volume of asset under management exceeded HUF 870 billion, o/w the asset of OTP Private Pension Fund represented HUF 850 billion.

OTP Fund Management preserved its outstanding market share during the year 2010 representing 32.7% (adjusted for estimated duplications), while the client base of the Company exceeded 205 thousand (+14 thousand y-o-y) as at the end of December 2010.

By the two consolidated fund management company (Ukraine and Romania) HUF 8 million loss was realized in 2010.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn[1]	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	-68	-4,123		-65	63	-3,217		
Pre-tax profit	-52	-4,125		-178	63	-3,219		
Operating profit	11,813	9,784	-17%	2,796	1,927	2,038	6%	-27%
Total income	16,901	14,793	-12%	4,195	3,075	3,412	11%	-19%
Net interest income	19,630	17,329	-12%	4,641	4,340	4,099	-6%	-12%
Net fees and commissions	-4,867	-4,077	-16%	-1,195	-1,013	-955	-6%	-20%
Other net non-interest income	2,138	1,541	-28%	749	-251	268	-207%	-64%
Operating expenses	-5,088	-5,009	-2%	-1,400	-1,148	-1,374	20%	-2%
Provision for possible loan losses	-11,504	-13,674	19%	-2,862	-1,829	-5,180	183%	81%
Other provision	-361	-236	-35%	-111	-36	-77	116%	-31%
Main components of balance sheet closing balances in HUF mn[1]	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
Total assets	304,942	285,360	-6%	304,942	291,328	285,360	-2%	-6%
Gross customer loans	308,933	308,200	0%	308,933	306,253	308,200	1%	0%
Retail loans	80	396	397%	80	238	396	66%	397%
Corporate loans	34,085	28,941	-15%	34,085	30,618	28,941	-5%	-15%
Car financing loans	274,768	278,863	1%	274,768	275,396	278,863	1%	1%
Allowances for possible loan losses	-34,393	-47,550	38%	-34,393	-42,645	-47,550	12%	38%

Main components of balance sheet closing balances in HUF mn[1]	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Deposits from customers	5,467	4,784	-12%	5,467	4,477	4,784	7%	-12%
Retail deposits	1,496	2,017	35%	1,496	1,591	2,017	27%	35%
Corporate deposits	3,971	2,767	-30%	3,971	2,886	2,767	-4%	-30%
Liabilities to credit institutions	231,788	228,908	-1%	231,788	228,802	228,908	0%	-1%
Total shareholders' equity	31,444	22,180	-29%	31,444	29,132	22,180	-24%	-29%
Loan Quality	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	38,469	54,161	40.8%	38,469	50,565	54,161	7.1%	40.8%
90+ days past due loans/gross customer loans (%)	12.5%	17.6%	5.1%	12.5%	16.5%	17.6%	1.1%	5.1%
Cost of risk/average gross loans (%)	3.64%	4.43%	0.79%	3.62%	2.29%	6.69%	4.40%	3.07%
Total provisions/90+ days past due loans (%)	89.4%	87.8%	-1.6%	89.4%	84.3%	87.8%	3.4%	-1.6%
Performance Indicators (%)	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
ROA	0.0%	-1.4%	-1.4%	-0.1%	0.1%	-4.4%	-4.5%	-4.3%
ROE	-0.2%	-15.4%	-15.2%	-0.8%	0.8%	-49.7%	-50.6%	-48.9%
Net interest margin	5.95%	5.87%	-0.08%	5.99%	5.72%	5.64%	-0.08%	-0.35%
Cost/income ratio	30.1%	33.9%	3.8%	33.4%	37.3%	40.3%	2.9%	6.9%

[1] Effective from Q2 2009, Car financing loans comprise Car leasing volume and Corporate loans include Big ticket leasing volume. The P&L structure is affected as well because provisioning in relation to leasing exposures has been removed from Other provisions to Provision for possible loan losses line in the P&L.

- ***In 2010, HUF 4.1 billion loss was realized, as total income decreased and risk cost continued rising***
- ***The portfolio quality deteriorated further (DPD90+ rate reached 17.6%), however coverage remained comfortably high (87.8%)***
- ***Car financing loans dropped further (the FX-adjusted decrease was 13% y-o-y and 4% q-o-q)***

Methodological changes: in 4Q 2009 and 4Q 2010, within the aggregated income statement of Merkantil Bank and Car, the other risk cost set aside in relation to their subsidiaries as investments was eliminated. The reason behind is that these items were eliminated in the consolidated income statement of OTP Group, and only the net result of the foreign leasing companies is making part of OTP Group's consolidated net earnings.

In addition, loans that Merkantil Bank granted to Merkantil Car – previously shown on the corporate loans line – have been eliminated from the corporate loans and the balance sheet total lines as well (these items do not appear on consolidated level). The methodological change was also executed for 2009 in order to maintain comparability of the time series. As a result, certain financial data and indicators have changed compared to the previously reported data. (The most significant change is the elimination of HUF 1.8 billion other provision from the financial result of Merkantil Group in 4Q 2009 and full-year 2009 as well. This item did not appear on consolidated level.) Time series published previously and calculated according to the new methodology can be found in the Supplementary Data section of this report.

In 2010, Merkantil Bank and Car's aggregated after tax result totalled to a loss of HUF 4.1 billion, excluding the special tax levied on financial institutions. The bank tax amounted to HUF 1.2 billion HUF in 2010 (HUF 614 million in 4Q); this tax burden is shown on a Group level only. As for the development of the 2010 after tax result, the high risk cost (+19% y-o-y) and decreasing revenues (12% y-o-y) played a key role.

Net interest income decreased by 12% y-o-y. The net interest income is lower because, since 2H 2009 intragroup funding spreads became wider and non-realized interest income (as a consequence of deteriorating loan portfolio) grew further. However, the decrease was somewhat offset by the weakening average exchange rate of HUF versus CHF (+8% y-o-y), which exerted a positive effect on the interest income on CHF denominated loans calculated in HUF. The y-o-y 16% lower net fee and commission expense reflects moderate business activity, the accruals for broker fees that were made in previous years characterized by higher sales volumes are gradually running out.

Other net non interest income was lower by 28% y-o-y; the explanation for the decrease is basically the change of FX result (which showed high volatility on a quarterly basis) mainly due to the loss suffered on the open FX position.

Operating costs were slightly lower in 2010 (-2% y-o-y). The 20% q-o-q increase in 2010 4Q is due to low base in 3Q and the seasonality of personnel expenses.

In 2010, risk cost for loan losses increased by 19% y-o-y compared to 2009. The explanation of the high provisioning in 4Q 2010 is as follows: further deterioration of loan portfolio, revaluation of provisions due to the HUF weakening, and deliberate decision to improve the coverage ratio.

The DPD90+ ratio increased to 17.6% by the end of 2010 (+5.1%-points y-o-y and +1.1%-points q-o-q). However, coverage remained comfortably high (87.8%, +3.5%-points q-o-q) thanks to the significant risk cost.

The FX-adjusted car financing loan book continued shrinking in the course of 2010. Till the end of 2010, the FX-adjusted decline was 13% y-o-y and 4% q-o-q. The declining volume is the consequence of the fact that in case of Merkantil both the number of sold cars, and the value of new disbursement contracted by more than 40% y-o-y in 2010. Among the new disbursements, the weight of HUF-denominated loans grew significantly: while in 2009 the HUF denominated loans accounted for only the tenth of total disbursement value, this ratio grew to two-third in 2010. Moreover, the less expensive second-hand cars picked up within new sales and higher down payments were required. The latter was induced by the new government decree on prudent retail lending and creditworthiness in force since March 2010.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Summary the after tax profit w/o dividends and net cash transfers of subsidiaries are presented. The structural adjustments on the lines of subsidiaries' Statements of recognised income as well as description of calculation methods of performance indices are to be found in supplementary data annex.

DSK GROUP[12] (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	24,797	18,186	-27%	7,278	5,292	3,675	-31%	-50%
Pre-tax profit	27,693	20,225	-27%	8,225	5,882	4,099	-30%	-50%
Operating profit	54,199	56,026	3%	12,344	15,046	15,220	1%	23%
Total income	84,757	87,709	3%	20,236	23,050	23,739	3%	17%
Net interest income	67,615	69,972	3%	15,873	18,545	18,595	0%	17%
Net fees and commissions	15,555	15,478	0%	3,918	4,073	4,083	0%	4%
Other net non-interest income	1,587	2,260	42%	445	431	1,061	146%	139%
Operating expenses	-30,557	-31,683	4%	-7,892	-8,004	-8,518	6%	8%
Provision for possible loan losses	-25,855	-35,232	36%	-3,642	-9,172	-10,570	15%	190%
Other provision	-651	-569	-13%	-477	8	-550		15%
Main components of balance sheet closing balances in HUF mn	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
Total assets	1,207,328	1,218,627	1%	1,207,328	1,205,428	1,218,627	1%	1%
Gross customer loans	1,027,820	1,072,128	4%	1,027,820	1,062,335	1,072,128	1%	4%
Retail loans	831,729	861,281	4%	831,729	856,578	861,281	1%	4%
Corporate loans	196,091	210,847	8%	196,091	205,758	210,847	2%	8%
Allowances for possible loan losses	-61,810	-96,706	56%	-61,810	-85,576	-96,706	13%	56%
Deposits from customers	801,112	847,807	6%	801,112	842,458	847,807	1%	6%
Retail deposits	688,399	733,511	7%	688,399	711,211	733,511	3%	7%
Corporate deposits	112,713	114,296	1%	112,713	131,247	114,296	-13%	1%
Liabilities to credit institutions	100,739	37,541	-63%	100,739	31,006	37,541	21%	-63%
Subordinated debt	95,049	97,866	3%	95,049	97,609	97,866	0%	3%
Total shareholders' equity	193,214	218,399	13%	193,214	213,015	218,399	3%	13%
Loan Quality	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	72,080	118,453	64.3%	72,080	113,806	118,453	4.1%	64.3%
90+ days past due loans/gross customer loans (%)	7.0%	11.0%	4.04%	7.0%	10.7%	11.0%	0.34%	4.04%
Cost of risk/average gross loans (%)	2.53%	3.36%	0.82%	1.40%	3.37%	3.93%	0.56%	2.53%
Total provisions/90+ days past due loans (%)	85.8%	81.6%	-4.1%	85.8%	75.2%	81.6%	6.4%	-4.1%
Performance Indicators (%)	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
ROA	2.1%	1.5%	-0.6%	2.4%	1.7%	1.2%	-0.5%	-1.2%
ROE	13.8%	8.8%	-5.0%	15.3%	9.8%	6.8%	-3.1%	-8.5%
Total income margin	7.13%	7.23%	0.11%	6.67%	7.49%	7.77%	0.29%	1.10%
Net interest margin	5.68%	5.77%	0.08%	5.24%	6.02%	6.09%	0.06%	0.85%
Cost/income ratio	36.1%	36.1%	0.1%	39.0%	34.7%	35.9%	1.2%	-3.1%
Net loans to deposits	121%	115%	-6%	121%	116%	115%	-1%	-6%

[12] Since 3Q 2010 based on the consolidated Profit and Loss Statement of DSK Group and the newly established Bulgarian factoring company, OTP Factoring Bulgaria LLC. Loan portfolio contains the assets sold to the factoring company at pre-sale gross value and with the related provisioning.

- ***Stable operating results, rising risk costs for loan losses resulted in a 27% decline of 2010 after tax profit y-o-y***
- ***The after-tax profit declined by 31% due to the significant loan loss provisioning in 4Q (q-o-q +15%), however DPD90+ coverage ratio (81.6% improved substantially***
- ***Stable and even improving net interest margin***
- ***Stable loan and deposit portfolio in BGN, y-o-y +4% and +6%***
- ***Steadily outstanding cost efficiency (cost/income ratio in 2010: 36.1%)***

Analysing the HUF denominated financials of DSK Group one should note that in 2010 the closing rate of the HUF against BGN weakened by 2.9% y-o-y and by 0.5% q-o-q, while the 2010 average rate appreciated by 1.8% y-o-y.

The DSK Group after tax profit in 2010 was HUF 18.2 billion, by 27% less compared to the level of the previous year. The performance of the Bulgarian bank in 2010 proved its henceforward robust income generating capability and efficient cost control. The Bank's operating profit (before tax and provisioning for loan losses) in 2010 increased slightly over the base period in BGN terms (+6% y-o-y and +3% in HUF terms). Total income of the year 2010 in BGN terms grew by 5% y-o-y, due to 5% increase of net interest income. The income dynamics in local currency represented a 5% growth on a quarterly and on a yearly basis as well. Along with the q-o-q 3% increase of net interest income in BGN, net fee and commission income grew with the same ratio. The quarterly +146% growth (y-o-y +42%) growth of other net non-interest income is reasoned by the revaluation gain on the shares of the merging two Bulgarian settlement houses on the revaluation gain and loss of securities line.

It was a favourable improvement that in 2010 net interest margin grew quarter-by-quarter (1Q 2010: 5.36%, 2Q: 5.66%, 3Q: 6.02%, 4Q: 6.09%), mainly as a result of pricing and liquidity management measures on the liability side. The previously mentioned stringent cost control is reflected in the continuously low cost/income ratio (2010: 36.1%). Due to the aforementioned, the higher risk costs were the main reason for the decrease in net profit for the period: HUF 35.2 billion risk cost volume of 2010 represents a yearly growth of 36%. In 4Q risk costs increased by 15%. Operating cost growth in 4Q (q-o-q +6%) is reasoned by the year-end increase of personnel expenses and year-end campaign related expenditures.

The deterioration of loan portfolio during the year was still significant, proportion of 90+ days past due loans rose from 7% to 11% (+4%-points y-o-y). The pace of deterioration shows decline (3Q: +1.2%-points, 4Q: +0.5%-points) even if the figures are adjusted for the effect of the sale[13] of a consumer portfolio in 3Q 2010. With regards to the components: the DPD90+ ratio of mortgage and SME loans grew from 6.6% to 11% and from 18.2% to 27.5% y-o-y, however remarkable slow-down was experienced in both segment during the last quarter. In case of consumer loans the portfolio deterioration was experienced again in 4Q (+0.9%-points q-o-q) and DPD90+ ratio reached 10.5% (+3.2%-points y-o-y). However regarding corporate loans the deterioration moderated and the ratio dropped by 1.3%-points (the year-end ratio reached 6.2%). As a result of the significant provisioning (in the volume of BGN 250 million) during 2010 the coverage of non-performing loans stood at 81.6%.

As for the development of total revenues it is favourable that due to its robust liquidity position during the nine month period the Bank lowered its interest rates on deposits and did not renew its expiring deposit campaigns. Consequently, net interest margin improved gradually. What is more favourable, despite the interest rates cuts, the Bank's market share in the retail deposit market only slightly eroded (y-o-y -0.5%-points) and in the corporate deposit market it kept its position. Net fee and commission income reflects stable performance both on annual and quarterly base.

Regarding the loan volumes new disbursements could only keep the portfolio at the level of the previous quarter. In a yearly comparison the maintenance of current loan base was supported by the similar 4% FX-adjusted growth of mortgage and corporate loans, while the decline of SME segment (-8% y-o-y) had a negative impact. On a yearly basis consumer loan portfolio stagnated. The Bank kept its stable market share in the loan market (year-end 2010 14.2%).

Despite the previously mentioned pricing measures, deposit base of the Bank remained stable, the yearly growth of retail deposits is +6%. Due to the stagnating lending and the increasing deposit portfolio the net loan-to-deposit ratio decreased slightly (2010: 115%, -6%-points y-o-y, -1%-points q-o-q).

The subordinated capital base remained flat in BGN on a yearly as well as on a quarterly basis. At the same time interbank funding decreased significantly on a yearly basis (-63% y-o-y) despite the boosted interbank volumes in 4Q (+21% q-o-q). There were two main reasons for the yearly decrease: on one hand as a result of the repayments the portfolio of mother bank funding diminished significantly

[13] In 3Q 2010 DSK Bank sold BGN 19 million (almost HUF 3 billion) non-performing consumer loan portfolio to a non-group member company. Since 3Q 2010 figures contain the effects of the dale of the portfolio to the Bulgarian factoring company.

(approximately -HUF 45 billion y-o-y), on the other hand a syndicated loan EUR 140 million (about HUF 40 billion) was paid back on 8 April 2010.

Capital position of DSK is still very strong, the capital adequacy ratio is more than double of the regulatory minimum (2010: 23.7% vs. 12% of the regulatory minimum; Tier1 ratio: 17% vs. 6% regulatory minimum). In 2010 the ratio improved significantly due to changes in the Bulgarian regulations. Among the changes the one that modified the risk weight of some asset classes had the major impact, leading to a ytd decline of 13% in the risk-weighted assets.

In 2010 Moody's Investors Service did not change the „Baa3" local and foreign currency deposit rating of DSK Bank (outlook is negative).

OTP BANK RUSSIA[14]

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	3,086	20,545	566%	1,732	8,696	7,035	-19%	306%
Pre-tax profit	4,400	26,916	512%	2,619	11,525	9,069	-21%	246%
Operating profit	25,975	51,022	96%	6,964	14,967	15,082	1%	117%
Total income	67,810	100,551	48%	18,235	27,325	28,998	6%	59%
Net interest income	60,316	88,991	48%	16,076	24,415	25,133	3%	56%
Net fees and commissions	4,701	9,638	105%	1,198	2,825	3,277	16%	174%
Other net non-interest income	2,793	1,922	-31%	962	86	587	583%	-39%
Operating expenses	-41,834	-49,529	18%	-11,272	-12,359	-13,916	13%	23%
Provision for possible loan losses	-21,040	-24,389	16%	-4,413	-3,208	-5,986	87%	36%
Other provision	-535	282	-153%	68	-234	-27	-88%	-140%
Main components of balance sheet closing balances in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Total assets	579,941	664,403	15%	579,941	653,779	664,403	2%	15%
Gross customer loans	369,877	508,139	37%	369,877	444,152	508,139	14%	37%
Retail loans	250,463	405,562	62%	250,463	342,034	405,562	19%	62%
Corporate loans	103,719	86,657	-16%	103,719	86,112	86,657	1%	-16%
Allowances for possible loan losses	-38,493	-54,718	42%	-38,493	-59,284	-54,718	-8%	42%
Deposits from customers	306,646	396,788	29%	306,646	354,455	396,788	12%	29%
Retail deposits	196,744	263,136	34%	196,744	232,730	263,136	13%	34%
Corporate deposits	109,902	133,652	22%	109,902	121,725	133,652	10%	22%
Liabilities to credit institutions	163,592	117,474	-28%	163,592	158,513	117,474	-26%	-28%
Issued securities	15,955	22,814	43%	15,955	20,111	22,814	13%	43%
Subordinated debt	13,607	15,421	13%	13,607	14,862	15,421	4%	13%
Total shareholders' equity	71,459	97,778	37%	71,459	89,720	97,778	9%	37%
Loan Quality	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	46,027	62,573	35.9%	46,027	71,321	62,573	-12.3%	35.9%
90+ days past due loans/gross customer loans (%)	12.4%	12.3%	-0.1%	12.4%	16.1%	12.3%	-3.7%	-0.1%
Cost of risk/average gross loans (%)	5.59%	5.56%	-0.03%	4.93%	2.85%	4.99%	2.14%	0.06%
Total provisions/90+ days past due loans (%)	83.6%	87.4%	3.8%	83.6%	83.1%	87.4%	4.3%	3.8%
Performance Indicators (%)	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
ROA	0.6%	3.3%	2.7%	1.3%	5.0%	4.2%	-0.8%	3.0%
ROE	4.7%	24.3%	19.6%	9.8%	38.3%	29.8%	-8.5%	20.0%
Total income margin	12.23%	16.16%	3.93%	13.41%	15.81%	17.46%	1.64%	4.04%
Net interest margin	10.88%	14.30%	3.43%	11.82%	14.13%	15.13%	1.00%	3.30%
Cost/income ratio	61.7%	49.3%	-12.4%	61.8%	45.2%	48.0%	2.8%	-13.8%
Net loans to deposits	108%	114%	6%	108%	109%	114%	6%	6%

[14] 2009 figures are based on the aggregated financial statements of OAO OTP Bank and Donskoy Narodny Bank, since the merger of the Banks in 1Q 2010 figures are based on the financial statements OAO OTP Bank.

- ***HUF 20.5 billion profit for 2010 is about seven times higher than the net profit for 2009, the second highest PAT in the Group***
- ***Doubling operating income y-o-y, robust interest and fee income***
- ***Strong consumer loan disbursement, extremely successful cross-selling of credit card products, further increasing personal loan portfolio***
- ***Stable NPL ratio on a yearly basis, improving coverage***
- ***Improving cost efficiency due to higher income and controlled cost base (2010 CIR at 49%, -12%-points y-o-y)***

The HUF denominated financials of OTP Bank Russia were highly influenced by the development of the RUBHUF exchange rate: in 2010 the closing rate of the HUF weakened by 10% y-o-y, while the 2010 average rate depreciated by 8% y-o-y against RUB. However, 4Q 2010 average HUF rate appreciated by 8% against RUB, compared to 3Q.

After tax profit of OTP Bank Russia for 2010 exceeded HUF 20.5 billion which is an outstanding result taking into consideration that during 1H 2010 the Bank had to set aside almost HUF 7.3 billion provisions (1Q 2010: HUF 4.6 billion, 2Q: HUF 2.7 billion) as a one-off item for a corporate exposure defaulting in February.

2010 net interest income grew by 48% y-o-y as a combined effect of increasing consumer loan portfolio and strong interest margin, net fee and commission income increased by 105%. All of these coupled with a cost base growing by less than loan portfolio (operating costs +18% y-o-y) resulted in outstanding operating profit dynamics (+96% y-o-y). The 16% y-o-y increase of risk costs was caused by a HUF 7.3 billion provisioning (one-third of total risk cost for 2010) for a loan of one corporate customer during 1H 2010. Risk cost rate remained stable (2009: 5.59%, 2010: 5.56%) which is clearly due to the still favourable quality of consumer loans portfolio, giving two-third of loan book total. In 4Q 2010 non-performing loans were written off (RUB 1.8 million in total, about HUF 12.4 billion), which inferred further provisioning (RUB +316 million, about HUF 2.2 billion).

The good financial performance of the Bank is mainly due to the robust increment of the income side, which is owing to a large extent to the successful sale of consumer loans. Latter is proved by the fact, that consumer loan portfolio in 2010 is half as much again than in 2009 (+61% y-o-y in RUB terms). Adjusting for write-offs in 2009 and 2010, the growth would have been 62% y-o-y. In case of the flagship product POS loans the sales performance has improved in line with the significantly increasing demand since summer 2009. Sales were supported with the extension of internal and external agent network. The dynamics of origination remained outstandingly strong in 2010 moreover it hit all-time-high record in 4Q 2010, so the market share remained above 20%, starting from 2H 2009 (2010: 20.8%). Due to the outstanding 4Q origination POS loan portfolio grew dynamically (4Q 2010: +24% q-o-q, +58% y-o-y in RUB), the Bank kept its second position on the top list both in terms of new origination and portfolio. The previously mentioned write-offs did not have a significant impact on quarterly and yearly growth dynamics (adjusted growth +25% and 57%, respectively).

As for credit card loans the success was due to the re-design of the product proposal in August 2009 and the intensive sales campaigns afterwards. The number of newly issued cards as well as the achieved utilization rate significantly exceeded the results of previous campaigns. As a consequence the portfolio of credit card loans increased dynamically: +9% q-o-q in 1Q 2010, +19% in 2Q and +18% in 3Q and +12% in 4Q (adjusted for write-offs, latter would be 16%). Altogether the yearly growth reached 72% in 2010. Besides the outstanding dynamics of card issues, utilization rate also improved from 10% to 14% y-o-y, so with respect to credit card loans the bank is currently the 4th largest player in the Russian market. As a favourable improvement, personal loans sold in the branch network demonstrated a strong increment in the course of 2010 (although from a relatively low base but the portfolio increased by 23% q-o-q and 111% y-o-y in RUB terms, adjusting for write-offs 31% and 124%, respectively). 11% ytd growth of mortgage loans is mainly due to portfolio purchase in 3Q 2010.

Total income- and net interest margin of OTP Bank Russia were significantly boosted by the strong dynamics of consumer lending: the former increased to 16.2% and the latter to 14.3% in 2010, which is a remarkable improvement compared to the previous year's levels (+3.93%-points and +3.43% y-o-y - respectively). Besides the strong consumer lending activity the margin improvement was generated also by the fact that offered deposit rates were decreased in several steps from 4Q 2009 on, furthermore the active selling campaigns were stopped. These changes are reflected in the slowing dynamics of deposit base growth in 2010: in RUB terms the deposit base increased by 18% y-o-y in 2010 after the outstanding 41% y-o-y growth in 2009. In 4Q 2010 both retail and corporate (primarily term deposits) increased (q-o-q by 10% and 7%, respectively). As the combined effect of these changes the rapid decline of the net loan-to-deposit ratio experienced in 2009 was replaced by growth in 2010 (4Q 2010: 114%, +6%-points q-o-q, +6%-points y-o-y).

The 105% y-o-y increment in 2010 and the significant q-o-q and y-o-y improvement of quarterly net fee and commission income (+16% and +174% respectively) was also boosted by the previously detailed consumer loan and deposit trends. Growth is mainly owing to credit card and POS loans related fee income increase.

The significant increase of risk costs for loan losses in 2010 (HUF 24.4 billion, +16% y-o-y) was induced primarily by a HUF 7.3 billion one-off provisioning requirement for a corporate loan after the default of Technosila Group. The company was a retail trader of electronic and home appliances, with a wide distribution network. The coverage of the exposure with provisions and collaterals did not necessitate further provisioning in 2H 2010. The biggest lender of Technosila, the Russian MDM Bank pro forma took over the company in 2010, and refused to repay its obligations to the previous lenders. Due to the growth of the consumer loans portfolio risk cost to average loans ratio was stable y-o-y in 2010 (5.56%), which is by even 1.5%-points lower than the 2009 risk cost rate adjusted by the risk cost of Technosila. Ratio of DPD90+ loans was also flat on a yearly basis (4Q 2010: 12.3%, -0.1%-point y-o-y, -3.7%-points q-o-q, mainly due to the write-offs). The coverage ratio of non-performing loans is stably high (4Q 2010: 87.4%, +3.8%-points y-o-y, +4.3%-points q-o-q).

Due to stringent operating cost control, operating expenses increased by only 9% y-o-y in RUB terms (in HUF +18%) it is practically in line with the Russian CPI (2010 inflation: 8.8%). As a result of branch network rationalization the headcount of the bank decreased to 4,768 people from 5,224 (y-o-y -9%); while number of branches decreased to 155 from 162 (-7 y-o-y). In 4Q however, both number of branches and employees increased due to higher business activity (q-o-q +2 branches and +203 employees). The POS loans agent network has been expanding since 2Q 2009: in 4Q 2010 it increased by 15.7% to 13,845 persons, thus the yearly growth of the network is 30%: Cost/Income ratio decreased below 50% in 2010 due to the above detailed developments (2010: 49.3%, -12.4%-points y-o-y).

OTP BANK JSC (UKRAINE)[15]

Performance of OTP Bank JSC:

Main components of P&L account in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-43,650	8,928	-120%	-14,423	4,959	2,862	-42%	-120%
Pre-tax profit	-44,646	5,719	-113%	-15,509	4,959	-340	-107%	-98%
Operating profit	51,033	35,280	-31%	11,617	9,468	8,690	-8%	-25%
Total income	74,948	60,330	-20%	17,726	15,910	15,539	-2%	-12%
Net interest income	62,759	50,690	-19%	15,904	12,335	12,050	-2%	-24%
Net fees and commissions	7,442	7,999	7%	1,488	2,175	2,342	8%	57%
Other net non-interest income	4,747	1,641	-65%	334	1,400	1,146	-18%	243%
Operating expenses	-23,916	-25,050	5%	-6,109	-6,442	-6,848	6%	12%
Provision for possible loan losses	-94,974	-29,439	-69%	-26,634	-4,673	-9,344	100%	-65%
Other provision	-704	-121	-83%	-491	164	314	92%	-164%
Main components of balance sheet closing balances in HUF mn	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
Total assets	711,155	715,760	1%	711,155	725,526	715,760	-1%	1%
Gross customer loans	670,758	692,878	3%	670,758	660,940	692,878	5%	3%
Retail loans	311,158	323,568	4%	311,158	317,552	323,568	2%	4%
Corporate loans	300,795	316,956	5%	300,795	293,351	316,956	8%	5%
Car financing loans	58,806	52,354	-11%	58,806	50,037	52,354	5%	-11%
Allowances for possible loan losses	-110,583	-154,126	39%	-110,583	-141,068	-154,126	9%	39%
Deposits from customers	165,764	190,061	15%	165,764	182,207	190,061	4%	15%
Retail deposits	98,164	113,056	15%	98,164	106,848	113,056	6%	15%
Corporate deposits	67,600	77,005	14%	67,600	75,358	77,005	2%	14%
Liabilities to credit institutions	403,803	366,979	-9%	403,803	378,403	366,979	-3%	-9%
Total shareholders' equity	90,711	109,469	21%	90,711	113,076	109,469	-3%	21%
Loan Quality	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	149,827	202,859	35.40%	149,827	190,523	202,859	6.48%	35.40%
90+ days past due loans/gross customer loans (%)	22.3%	29.3%	6.9%	22.3%	28.8%	29.3%	0.5%	6.9%
Cost of risk/average gross loans (%)	13.24%	4.32%	-8.92%	15.72%	2.60%	5.48%	2.87%	-10.25%
Total provisions/90+ days past due loans (%)	73.8%	76.0%	2.2%	73.8%	74.0%	76.0%	1.9%	2.2%
Loan Quality	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
ROA	-5.6%	1.3%	6.9%	-8.2%	2.5%	1.6%	-0.9%	9.8%
ROE	-51.1%	8.9%	60.0%	-73.3%	17.2%	10.2%	-7.0%	83.5%
Net interest margin	8.06%	7.10%	-0.95%	9.03%	6.25%	6.63%	0.38%	-2.40%
Cost of risk/average gross loans	13.24%	4.32%	-8.92%	15.72%	2.60%	5.48%	2.87%	-10.25%
Cost/income ratio	31.9%	41.5%	9.6%	34.5%	40.5%	44.1%	3.6%	9.6%
Net loans to deposit	338%	283%	-54%	338%	285%	283%	-2%	-54%

[15] From 4Q 2008 figures are based on the aggregated financial statements of OTP Bank JSC and LLC OTP Leasing Ukraine, while from 4Q 2009 the result of LLC OTP Faktoring Ukraine was also aggregated.

- ***Net profit for the year 2010 exceeded HUF 8.9 billion despite high level of provisioning and y-o-y 20% decline of total income***
- ***In 4Q the profit contribution of the Ukrainian Bank to the consolidated result reached 17%, although the quarterly net income was highly influenced by changes of tax legislation***
- ***The FX-adjusted development of gross loan volumes reflects a declining trend, however there were signs of recovery in case of corporate loans in 2H***
- ***Coverage ratio of non-performing loans is still stable (2010: 76.0%); despite the yearly decline of provisions increased by 2.2%-points***
- ***FX-adjusted DPD90+ loan volume development moderated significantly on a yearly basis***
- ***Despite the high level of inflation operating expenses remained stable (+5% y-o-y)***
- ***Due to the expansion of households' savings the net loan to deposit ratio improved further by 54%-points y-o-y***

The net profit for the year 2010 amounted to HUF 8.9 billion – o/w the quarterly result was HUF 2.9 billion – representing a significant improvement compared to the loss realized in the previous year. The profit development of the last quarter was mainly influenced by a deferred tax income, generated a positive tax result in the amount of HUF 3.2 billion. Significant part of the tax savings was induced by the changes of tax legislation with respect to the financial crisis thus accrued but unpaid interest income became deductible from the tax base generating a deferred tax income.

Operating profit of the Bank (without risk cost) decreased by 30% y-o-y, primarily driven by the 20% y-o-y decline of income of the core banking activity. The development of the income side was mainly influenced by the decrease of net interest income determined by several factors. On one hand the development of gross loan volumes reflected a decreasing trend (-7% y-o-y adjusted for FX-effect) and it was influenced by the sale of loan portfolios to OTP Factoring Ukraine, because no interest income booked on transferred portfolios. Also the quarterly interest income even improved (+6% q-o-q)) in LCY terms driven by the favourable impact of lower interest level on the liability side due to pricing measures over the year. It should be noted that HUF denominated financials of OTP Bank Ukraine were highly influenced by exchange rate developments: the average rate of the HUF appreciated by 8% q-o-q against the UAH, while 2010 average rate weakened by 4% y-o-y.

Net fee and commission income out of total revenues grew by 8% y-o-y (+17% in LCY terms) reflecting the improving performance of commission related to deposit, payment and card transactions. In 2010 the number of transactions in ATMs and POS-terminals grew approximately by 50%, due to the increasing number of sales points accepting the bankcards. New card products and services were introduced, too.

Other net non-interest income dropped on a yearly and on a quarterly basis as well (by 76% y-o-y and by 33% q-o-q). The revaluation result of provisions driven by the UAH exchange rate fluctuations dropped to one quarter (-74% y-o-y), and this negative impact was only partially balanced by the gain (HUF 308 million) realized on securities valuation result in the period.

Operational costs remained flat in LCY terms y-o-y reflecting the efficiency of cost control. This is remarkable in light of the high (over 10%) average yearly increase of CPI in Ukraine in 2010. Personnel expenses showed a 7% increase in LCY terms stemmed from the year-end bonus payment. Parallel with the decline in business activity the headcount of the bank was gradually reduced reaching 3.075 person by the end of December (-758 person y-o-y). The yearly decline of other expenses (-2% in LCY terms y-o-y) was driven by the implementation of stringent cost control measures.

In 2010 OTP Bank Ukraine set aside HUF 30 billion provision for possible loan losses representing one-third of provisions of the last year; thus risk cost to average gross loan ratio decreased to 4.32% from 13.24%. However the coverage on non-performing loans (4Q 2010: 76.0%) was showing an increase of 2.2%-points in line with the slowdown in the dynamics of portfolio deterioration.

Still a moderate loan demand characterised the Ukrainian market, as a consequence of the measures taken by National Bank of Ukraine. Foreign currency lending was restricted by tough administrative regulations, furthermore interest rates of UAH denominated loans remained unfavourable, the gross loan portfolio adjusted for FX-effect was showing a 7% yearly decline. On the corporate side there were signs of recovery from the beginning of 2H, the FX-adjusted volume of corporate loans increased by 6% in a quarterly comparison.

The main reasons behind the recovery in the corporate sector were the increase of portfolio of companies involved in trading/export of agricultural products and the establishment of new limits for existing borrowers. Regarding the other segments, the recovery is slipping away, during the last year retail mortgage and SME portfolios were shrinking (-7% and -11% adjusted by FX-effect).

The pace of loan portfolio deterioration moderated significantly in 2010. The FX-adjusted DPD90+ loan volume development decreased gradually (1Q: 4, 2Q: 14, 3Q: 8, 4Q: 7). The DPD90+ ratio stood at 29.3% by the end of December (4Q 2009: 22.3%), mainly influenced by the shrinking loan volumes. The portfolio quality deterioration trend was experienced in the retail and in SME segment: in case of mortgage loans DPD90+ ratio increased to 37.2% from 22.3% y-o-y, in case of SME loans DPD90+ ratio reached 46% against 29.1% a year earlier. It should be highlighted the in case of corporate loans the portfolio development was more favourable: DPD90+ ratio moderated to 18.3% from 21.2% on a yearly basis.

The Bank provides a debtor protection program to its retail customers; within this framework it allows its customers to change their originally USD denominated mortgage and car loans into UAH loans, and is also open to agree to lower temporary instalments. The ratio of restructured loans in the retail segment reached 41.2% by the end of December, it is favourable, however, that the volume of retail restructured loans in LCY showing a downward trend.

The Bank several times lowered its interest on deposits in 2010, still it managed to preserve its deposit base. The retail deposit base of the Bank showed an increase of 5% (adjusted by FX-effect), mainly fuelled by the periodic increase of sight deposit base reflecting the growing trust of people in the banking sector. Simultaneously, corporate deposits grew by 3% y-o-y (adjusted by FX-effect), however they stagnated on a quarterly basis. In the forthcoming period retail deposits will be the engine of the growth because Ukrainian companies still face restricted access to credit and their saving capability will remain on a low level. Consequently, the Bank's net loan-to-deposit ratio improved further both on yearly (-54 bps) as well as quarterly (-2 bps) basis.

Capital position of the Bank is rather strong, the CAR calculated in compliance with local regulations stood at 22.1% by the end of December, which is twofold the regulatory minimum (10%). The guarantee of OTP Bank (Hungary) was terminated following the downgrade of Hungarian sovereign rating in December; the net income effect of the compensation fee paid by OTP Bank (Hungary) was neutral.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs[1]	1,136	-6,406	-664%	384	-2,142	-2,210	3%	-676%
Pre-tax profit	1,489	-6,404	-530%	422	-2,141	-2,209	3%	-624%
Operating profit	6,947	9,775	41%	2,107	2,230	3,180	43%	51%
Total income	20,237	22,661	12%	5,518	5,411	6,323	17%	15%
Net interest income	15,876	18,419	16%	4,226	4,887	5,376	10%	27%
Net fees and commissions	2,013	2,402	19%	539	578	570	-1%	6%
Other net non-interest income	2,348	1,841	-22%	753	-53	378	-816%	-50%
Operating expenses	-13,290	-12,886	-3%	-3,411	-3,182	-3,144	-1%	-8%
Provision for possible loan losses	-5,332	-15,944	199%	-1,627	-4,385	-5,192	18%	219%
Other provision	-125	-235	88%	-58	14	-197		240%
Main components of balance sheet[2] closing balances in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Total assets	365,743	424,464	16%	365,743	393,855	424,464	8%	16%
Gross customer loans	293,116	329,005	12%	293,116	313,695	329,005	5%	12%
Retail loans	200,738	239,846	19%	200,738	225,428	239,846	6%	19%
Corporate loans	92,379	89,158	-3%	92,379	88,267	89,158	1%	-3%
Allowances for possible loan losses	-8,725	-24,702	183%	-8,725	-19,935	-24,702	24%	183%
Deposits from customers	96,364	112,619	17%	96,364	102,521	112,619	10%	17%
Retail deposits	81,998	73,838	-10%	81,998	73,286	73,838	1%	-10%
Corporate deposits	14,366	38,781	170%	14,366	29,235	38,781	33%	170%
Liabilities to credit institutions	227,298	266,155	17%	227,298	247,208	266,155	8%	17%
Total shareholders' equity	25,513	25,144	-1%	25,513	22,126	25,144	14%	-1%
Loan Quality	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	9,942	34,852	250.5%	9,942	30,167	34,852	15.5%	250.5%
90+ days past due loans/gross customer loans (%)	3.4%	10.6%	7.2%	3.4%	9.6%	10.6%	1.0%	7.2%
Cost of risk/average gross loans (%)	1.75%	5.13%	3.38%	2.19%	5.48%	6.41%	0.93%	4.22%
Total provisions/90+ days past due loans (%)	87.8%	70.9%	-16.9%	87.8%	66.1%	70.9%	4.8%	-16.9%
Performance Indicators (%)	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
ROA	0.3%	-1.6%	-1.9%	0.4%	-2.1%	-2.1%	0.0%	-2.6%
ROE	4.7%	-25.3%	-30.0%	6.2%	-36.6%	-37.1%	-0.5%	-43.3%
Total income margin	5.52%	5.74%	0.22%	5.95%	5.35%	6.13%	0.78%	0.18%
Net interest margin	4.33%	4.66%	0.33%	4.56%	4.83%	5.21%	0.38%	0.65%
Cost/income ratio	65.7%	56.9%	-8.8%	61.8%	58.8%	49.7%	-9.1%	-12.1%
Net loans to deposits	295%	270%	-25%	295%	287%	270%	-16%	-25%

[1] Adjusted with result of CIRS swap transactions executed with OTP Bank in relation to interbank financing.
[2] Before transfer balance sheet numbers are displayed.

- ***Higher core banking revenues and declining operating costs contributed to the excellent development of 2010 operating result (+41% y-o-y)***
- ***The risk cost tripled y-o-y and led to a yearly loss of HUF 6.4 billion***
- ***The loan quality deterioration went on in 4Q as well, although its pace slowed down further, consequently the coverage ratio improved further in 4Q***
- ***The lending activity was focused on retail mortgage- and SME lending. The success of corporate deposit collection entailed a 25%-points yearly drop of the net loan to deposit ratio***

In 2010 OBR realized HUF 6.4 billion loss compared to the after tax profit of HUF 1.1 billion in 2009. The loss is a consequence of the high risk cost that tripled in 2010. The outstanding development of the core banking revenues and the strict cost control were offsetting factors that mitigated the soaring risk costs.

The yearly operating profit in 2010 showed a 41% yearly improvement (given that in 2010 the average exchange rate of HUF appreciated against RON by 1% y-o-y, dynamics of P&L items are somewhat stronger in RON). Both elements of operating income changed positively. The total income increased by 11% y-o-y in HUF terms, and in the addition to this, the structure of income components improved as well. The 16% yearly growth of net interest income was supported primarily by the following factors: the interest expenses on deposits showed a decline in the wake of the lower interest environment. Beyond this the interest income on securities grew because of the significant increase of securities portfolio since 2H 2009. Furthermore, net interest income was underpinned by the positive revaluation result of swaps made for liquidity management purposes (part of this revaluation is booked on net interest income line). This revaluation result reached HUF 1.2 billion in 2010 and consequently, half of the yearly increment on the net interest income line can be explained by the swap revaluation result. If the positive contribution from swap revaluation result (booked on the net interest income line) is deducted, the net interest margin would remain basically unchanged in 2010 y-o-y, reflecting purely the underlying business trends.

The net fee and commission income development remained good in 2010 (+19% y-o-y), fuelled by higher fee income on loans and the one-off fee revenue booked in 2Q 2010. Compared to the base period, a decline of 22% was registered on other net non-interest income line. The main reason for that is the setback of FX result (from the high base in 2009). On the contrary, the realized gain on securities grew by close to 50% in 2010, due to the gain pocketed in 4Q 2010.

Strong operating profit was supported by not only dynamic income generation but stringent cost control as well. Operating costs in 2010 decreased by 3% y-o-y (2% decline was registered even in RON terms). Despite of the 4% average headcount growth in 2010, 2% saving could be reached on personnel expenses line; moreover, the nominally declining operational expenses signalled that strict cost control remained in place.

The significant portfolio quality deterioration led to tripling risk cost, although the high provisioning in 3Q and 4Q 2010 was aimed at lifting the coverage ratio. The DPD90+ loan formation stagnated in 4Q 2010 q-o-q.

Deterioration of loan quality continued in 4Q 2010: the DPD90+ ratio stood at 10.6% at end-2010, compared to 3.4% in 2009 and 9.6% in 3Q 2010. While the strong pace of portfolio quality deterioration in 2Q was in connection with several corporate exposures, its pace decelerated in 2H and the majority of new NPL formation was related to the gradual deterioration of mortgage portfolio. Altogether, the coverage ratio of DPD90+ loans dropped by 16.9%-points in 2010 y-o-y, but compared to the bottom reached in 2Q 2010, the coverage improved by 12.3%-points in the second half of 2010 (+4.8%-points only in 4Q).

The debtor protection program (with particular focus on mortgage loans) went on in 4Q 2010 as well. At the end of 4Q 2010 14% of the households' loan portfolio was involved in the program, while by the end of 2009 this ratio was 8%.

Total risk cost grew by 23% in 4Q q-o-q, but this was almost fully counterbalanced by the continuous cost control and increment of total revenues: as a result, the loss in 4Q remained basically flat (+3% q-o-q). Total income expanded by 17% q-o-q. Although net fee and commission income stagnated, revenues were supported by the other net non-interest income that turned into positive (the Bank booked a gain on securities in the amount of HUF 0.6 billion in 4Q).

The 4Q 2010 net interest income grew by 10% q-o-q, but this improvement is the reflection of the swap revaluation result that reached HUF 300 million in 3Q and exceeded HUF 950 million in 4Q. If we adjust for that item, the net interest income would decline by 4% and the adjusted net interest margin would narrow by 20 bps q-o-q. The underlying reason for the 5% yearly growth of the 4Q 2010 adjusted net interest income is the expansion of business volumes, while the adjusted net interest margin tightened by nearly 30bps.

The 4Q operating result (+43% q-o-q) was boosted by the 1% lower operating costs as well. The risk cost for possible loan losses reached record height in the fourth quarter (HUF 5.2 billion, q-o-q +18%).

Out of this sum, HUF 2.1 billion was devoted to improve the coverage ratio.

Gross loan portfolio expanded by 12% y-o-y in HUF terms, while adjusted for the currency exchange rate movements it shrank by 1% (the RON depreciated by 20% against CHF and 1% against EUR). The Bank launched lending campaigns with extensive marketing support in 2010 in certain market segments (mainly focusing on mortgage and SME lending). Adjusted for the FX-effect, the volume expansion was 5% in case of the mortgage portfolio and 15% in case of the SME loans. On the contrary, the corporate loan volume decreased by 8% in 2010. As for 4Q 2010, FX-adjusted loan expansion of 1% was registered q-o-q – beside of the volume growth in the mortgage and SME segment, this was supported by the fact that in 4Q the FX-adjusted corporate loan volume remained flat q-o-q. In 4Q 2010 the Bank sold loans in the gross amount of HUF 0.5 billion (fully covered by provisions).

The Bank put particular emphasis on deposit collection in 2009, and this remained successful in 2010 as well: the deposit base showed a growth of 17% yearly in HUF terms, while the FX-adjusted increase reached 13%. Households' deposits lost momentum in 2010 (-11% y-o-y, FX-adjusted), because the Bank adapted less aggressive deposit pricing policy and more competitive deposit rates were offered by several market players. The strong y-o-y dynamics is owing to the excellent performance showed in case of corporate deposits (FX-adjusted +109% y-o-y).

The Bank received a capital injection of RON 80 million, which was registered by the Romanian Court of Registration on 16 November 2010. So, the capital adequacy ratio of OBR reached 14.0%.

The number of branches did not change in 2010 (106 units), while the number of employees grew by 10 persons to 1,104 y-o-y.

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	3,245	2,721	-16%	693	547	1,005	84%	45%
Pre-tax profit	4,068	3,441	-15%	884	688	1,283	87%	45%
Operating profit	6,068	7,017	16%	1,279	2,074	2,193	6%	71%
Total income	19,540	20,233	4%	4,534	5,475	5,391	-2%	19%
Net interest income	13,239	13,964	5%	2,959	3,802	3,653	-4%	23%
Net fees and commissions	3,935	3,986	1%	1,013	1,142	1,040	-9%	3%
Other net non-interest income	2,366	2,282	-4%	562	531	699	32%	24%
Operating expenses	-13,472	-13,216	-2%	-3,254	-3,400	-3,199	-6%	-2%
Provision for possible loan losses	-1,947	-3,120	60%	-384	-1,212	-666	-45%	73%
Other provision	-52	-455	770%	-11	-175	-244	39%	
Main components of balance sheet closing balances in HUF mn	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
Total assets	469,304	484,923	3%	469,304	505,486	484,923	-4%	3%
Gross customer loans	318,477	335,828	5%	318,477	330,993	335,828	1%	5%
Retail loans	194,021	208,515	7%	194,021	203,468	208,515	2%	7%
Corporate loans	122,183	125,395	3%	122,183	125,474	125,395	0%	3%
Allowances for possible loan losses	-9,195	-13,083	42%	-9,195	-12,475	-13,083	5%	42%
Deposits from customers	337,935	373,813	11%	337,935	379,625	373,813	-2%	11%
Retail deposits	294,348	331,255	13%	294,348	329,502	331,255	1%	13%
Corporate deposits	43,588	42,558	-2%	43,588	50,123	42,558	-15%	-2%
Liabilities to credit institutions	60,377	40,271	-33%	60,377	56,629	40,271	-29%	-33%
Total shareholders' equity	60,626	57,262	-6%	60,626	56,794	57,262	1%	-6%
Loan Quality	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	28,417	42,991	51.3%	28,417	45,408	42,991	-5.3%	51.3%
90+ days past due loans/gross customer loans (%)	8.9%	12.8%	3.88%	8.9%	13.7%	12.8%	-0.92%	3.88%
Cost of risk/average gross loans (%)	0.62%	0.95%	0.33%	0.48%	1.42%	0.79%	-0.63%	0.31%
Total provisions/90+ days past due loans (%)	32.4%	30.4%	-1.9%	32.4%	27.5%	30.4%	3.0%	-1.9%
Performance Indicators (%)	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
ROA	0.7%	0.6%	-0.1%	0.6%	0.4%	0.8%	0.4%	0.2%
ROE	5.6%	4.6%	-1.0%	4.6%	3.5%	7.0%	3.5%	2.4%
Total income margin	4.19%	4.24%	0.05%	3.82%	4.29%	4.32%	0.03%	0.50%
Net interest margin	2.84%	2.93%	0.09%	2.49%	2.98%	2.93%	-0.05%	0.44%
Cost/income ratio	68.9%	65.3%	-3.6%	71.8%	62.1%	59.3%	-2.8%	-12.4%
Net loans to deposits	92%	86%	-5%	92%	84%	86%	2%	-5%

- ***Steadily improving operating profit in 4Q (+6% q-o-q) and significant risk costs resulted 16% decline of 2010 net profit y-o-y***
- ***Portfolio quality deterioration is essentially due to certain corporate loans***
- ***Continuously decreasing net loan-to-deposit ratio (2010: 86%; -5%-points y-o-y) due to successful summertime deposit campaign***
- ***On a yearly basis stable NIM (+0.1%-points), improving cost/income ratio (-3.6%-points)***
- ***Following dividend payment capital adequacy ratio is still above the regulatory minimum (14.2% vs. 12%)***

In 2010 OBH Group realized HUF 2.7 billion net profit representing a decrease of 16% over 2009. The main reason for the lower income is the higher provisioning for the non-performing loans (+60% y-o-y). However, nicely growing operating results (+16% y-o-y) partially offset that impact.

The quarterly net income was significantly improved (+84% q-o-q) by lower volumes of operating cost (q-o-q -6%) and the lower provisioning for possible loan losses (q-o-q -45%).

The development of net interest income in 2010 was significantly influenced by the change of the balance sheet structure in 3Q and 4Q. On the liability side the deposit base was boosted continuously during the year (+11% y-o-y) despite the decrease of interest rates paid on deposits (the average interest rate paid on retail deposits was reduced by 73 basis point y-o-y), which enabled the Bank to reduce interbank funding (-34% y-o-y in HRK) and within that intra-group financing (-67% y-o-y in HRK). In lack of renewed lending activity at the beginning of the year OBH placed its liquidity surpluses on the interbank market but since 3Q invested into securities with higher yield and more favourable provisioning (in HRK +73% y-o-y; +35% q-o-q). On these assets the Bank realized higher interest income in HRK by 9% y-o-y and by 11% q-o-q parallel with sharply increasing revaluation gain.

The net fee and commission income for 2010 resembles the previous year.

With regards to operating expenses, strong cost control prevailed; FX-adjusted level of 2010 operating expenses remained stable on a yearly basis. During 2010 cost/income ratio of the Bank improved further by 3.6%-points.

The shrinking net profit for 2010 was mainly due to the remarkable rise of allowance for loan losses (+60% y-o-y). This rise is reasoned by the deteriorating portfolio quality and the change of regulations[16] effective since 31 March as well.

By the end of December DPD90+ ratio stood at 12.8%, showing a 3.9%-points increase on a yearly basis, however moderated by 0.9%-points on a quarterly basis. The portfolio quality deterioration trend experienced in all segments in 9M seems to breaking in 4Q in case of corporate loans (16.7%; -4.7%-points q-o-q). With regards to retail loans in case of mortgage loans the portfolio deterioration continued (DPD90+ ratio: 11.1%, +1.8%-points q-o-q), while in case of consumer loans a slight improvement is experienced (DPD90+ ratio: 11.5%, -0.2%-points q-o-q).

As at the end of December the coverage ratio of non-performing loans increased to 30.4% (+3%-points q-o-q).

Moderate lending activity characterized the whole Croatian market. Analysing portfolio dynamics, one should note that the closing HUF/HRK rate weakened by 1.7% y-o-y, while strengthened by 0.7% q-o-q. The 5% yearly growth of gross customer loans was induced by retail loans comprising almost two-thirds of the portfolio, within that consumer loans improved significantly (+6% y-o-y in HRK terms, FX-adjusted growth:+5% y-o-y).

Corporate portfolios remained flat over the same period; some growth of demand was generated by the interest-rate subsidised loans available from the economic growth programme of HBOR (Croatian Bank for Reconstruction and Development).

On deposit side notwithstanding the previously mentioned lower deposit rates, due to the deposit campaign the Bank's portfolio grew by 11% y-o-y (in HRK +10% y-o-y while -2% q-o-q). Both in retail and in corporate segment term deposits could increase significantly (+11% and +46% y-o-y respectively); while at the year-end retail term deposits represented 69% of total deposit base in HRK. Altogether, the Bank's net loan-to-deposit ratio increased to 86% (+2%-points q-o-q), however it is still below the level by 5%-points realised at the end of 2009. Despite the general deposit withdrawal, which characterized the whole Croatian market, OBH improved further its positions, its market share reached 4.3% as at the end of 2010 (+0.12%-points y-o-y).

As a result of its favourable funding position in September OBH prepaid CHF 10 million senior loan, and paid HRK 200 million interim dividend to the mother bank, moreover in November and December

[16] According to the previous regulation, retail loans became non-performing after 180 days of delay. From 31 March 2010 on, 90 days past due loans are qualified non-performing, related interest income shall be accrued and at the same time, provision for loan losses shall also be made.

it prepaid of the credit line of CHF 15 million and CHF115 million respectively to the parent company.

Despite the interim dividend payment the capital adequacy ratio of the Bank improved on a yearly basis (from 13.4% to 14.2%) and it was well above the 12% regulatory minimum level.

The number of employees at OBH Group stood at 1,016 as at the end of December 2010. Regarding the sales capacity and branch network, the primary goal is the modernization of the existing branch network (105 branches).

OTP BANKA SLOVENSKO (SLOVAKIA)[17]

Performance OTP Banka Slovensko:

Main components of P&L account in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-6,673	-952	-86%	-5,654	172	-125	-173%	-98%
One-off items, after-tax[1]	-244	0	-100%	-1	0	0		-100%
After tax profit w/o dividends, net cash transfers and one-offs	-6,429	-952	-85%	-5,653	172	-125	-173%	-98%
Pre-tax profit	-6,633	-833	-87%	-5,705	170	-130	-177%	-98%
Operating profit	3,289	3,727	13%	1,001	1,092	839	-23%	-16%
Total income	13,731	13,885	1%	3,796	3,648	3,503	-4%	-8%
Net interest income	10,485	11,207	7%	2,939	2,930	2,809	-4%	-4%
Net fees and commissions	2,705	2,380	-12%	646	669	582	-13%	-10%
Other net non-interest income	541	298	-45%	211	49	112	127%	-47%
Operating expenses	-10,442	-10,157	-3%	-2,795	-2,556	-2,664	4%	-5%
Provision for possible loan losses	-9,029	-4,715	-48%	-5,925	-1,108	-854	-23%	-86%
Other provision	-894	154	-117%	-782	186	-116	-162%	-85%
Main components of balance sheet closing balances in HUF mn	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
Total assets	375,208	349,448	-7%	375,208	352,726	349,448	-1%	-7%
Gross customer loans	273,269	273,641	0%	273,269	277,551	273,641	-1%	0%
Retail loans	163,779	179,440	10%	163,779	173,215	179,440	4%	10%
Corporate loans	109,490	94,202	-14%	109,490	104,336	94,202	-10%	-14%
Allowances for possible loan losses	-13,633	-15,677	15%	-13,633	-15,577	-15,677	1%	15%
Deposits from customers	253,462	256,751	1%	253,462	254,289	256,751	1%	1%
Retail deposits	219,597	234,543	7%	219,597	229,485	234,543	2%	7%
Corporate deposits	33,865	22,209	-34%	33,865	24,804	22,209	-10%	-34%
Liabilities to credit institutions	28,707	11,825	-59%	28,707	9,930	11,825	19%	-59%
Issued securities	55,457	43,655	-21%	55,457	49,481	43,655	-12%	-21%
Subordinated debt	7,876	8,109	3%	7,876	8,066	8,109	1%	3%
Total shareholders' equity	24,767	24,551	-1%	24,767	24,694	24,551	-1%	-1%
Loan Quality	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	24,286	27,965	15.1%	24,286	27,961	27,965	0.0%	15.1%
90+ days past due loans/gross customer loans (%)	8.9%	10.2%	1.3%	8.9%	10.1%	10.2%	0.1%	1.3%
Cost of risk/average gross loans (%)	3.07%	1.72%	-1.35%	8.47%	1.57%	1.23%	-0.34%	-7.24%
Total provisions/90+ days past due loans (%)	56.1%	56.1%	-0.1%	56.1%	55.7%	56.1%	0.4%	-0.1%
Performance Indicators (%)	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
ROA	-1.6%	-0.3%	1.3%	-6.0%	0.2%	-0.1%	-0.3%	5.8%
ROE	-23.2%	-3.9%	19.4%	-81.3%	2.7%	-2.0%	-4.7%	79.3%
Total income margin	3.41%	3.83%	0.42%	4.02%	3.99%	3.96%	-0.03%	-0.06%
Net interest margin	2.61%	3.09%	0.49%	3.11%	3.21%	3.17%	-0.03%	0.06%
Cost/income ratio	76.0%	73.2%	-2.9%	73.6%	70.1%	76.0%	6.0%	2.4%
Net loans to deposits	102%	100%	-2%	102%	103%	100%	-3%	-2%

[1] In 2009 one-off loss booked in relation to loan transfers; in 4Q 2009 exchange rate correction in relation to the loan transfers

[17] In 3Q and 4Q 2010 OBS sold loans to Group members. The balance sheet of OBS in 3Q and 4Q 2010 reflects the standing before the transfer of loans to OTP Bank Plc and OTP Factoring Ltd. Accordingly, gross loans contain the gross value of sold loans less recoveries since the sale. Furthermore, provisions for loan losses contain the provisions related to these sold loans. P&L effect of the loan sale was not significant, so the P&L was not adjusted.

- ***Still loss making operation, though HUF 1 billion loss is one sixth of the 2009 result***
- ***Risk cost is half of the 2009 figure, coverage unchanged***
- ***Operating profit in 2010 shaped well, mainly due to the strong NII and efficient cost control***
- ***Home equity loan and consumer loan volumes are still expanding***

In 2010 the Bank posted a net loss of HUF 952, compared to HUF 6,429 million net loss in 2009. The main reason for the lower loss was the lower risk cost, however higher income and cost savings also contributed to the favourable development.

Operating profit in 2010 was by 13% higher in HUF terms y-o-y, and grew by even more in EUR terms, since in 2010 the average exchange rate of HUF versus EUR was by 2% stronger compared to the average of 2009. Analysing the P&L developments in EUR terms, the improvement of operating profit was mainly due to the good total income (+3% y-o-y), and lower operating expenses (-1% y-o-y), as a result of the stringent cost control. Cost/Income ratio shrank by 2.9% y-o-y to 73.2%.

In 2010, within total income, net interest income improved by 9% y-o-y in EUR terms. Interest income decreased due to the shrinking loan portfolio in LCY and the lower reference rates. This was partly offset by the gradual repricing of corporate loans in the preceding quarters. The lower reference rates as well as the expiry of term deposits with attractive deposit rates from early 2009 lowered interest expenses on deposits. All in all, net interest margin increased to 3.09% in 2010 (+49 bps y-o-y).

The drop of net fees and commissions in 2010 (in EUR -10% y-o-y) is mainly due to the weak business activity in the corporate segment. Other net non-interest income, which represents a tiny proportion of total income, almost halved in 2010 y-o-y, as a result of the lower net foreign exchange gain.

In 2010 OBS set aside HUF 4.7 billion provision for possible loan losses, which is half of the 2009 figure. The main reason for the significant y-o-y change in the other risk cost line is due to methodology changes suggested by the auditor and the national bank (part of the provisions related to off-balance-sheet items were released).

After the HUF 172 million profit posted in 3Q 2010 the Bank made a net loss of HUF 125. Operating profit fell by 23% q-o-q, mainly due to the 4% q-o-q decline of net interest income and 13% q-o-q fall of net fees and commission income. Latter was mainly caused by lower retail commission income. Operating expenses grew by 4% in HUF and EUR terms as well. Risk cost decreased significantly q-o-q (-23%), while coverage even improved.

By the end of 2010, the DPD90+ ratio was practically flat on a quarterly basis. In case of mortgage loans the portfolio quality stagnated in 4Q, but the quality of consumer and SME loans deteriorated. The coverage of DPD90+ loans improved q-o-q, by 0.5%-points to 56.2%. It is to be noted that share of restructured retail loans did not change q-o-q (under 2% by the end of 2010).

The development of deposit and loan volumes was in line with the intention to strengthen the retail focus of the Bank. Analysing the dynamics in EUR terms, total deposits decreased by 2% y-o-y, mainly because large corporate deposits dropped by 32% and municipality deposits fell by 42%, while retail and SME deposits both rose by 4% y-o-y. On a quarterly base deposits remained flat, the yearly trends characterised the last quarter if looking at the segments.

Considering the sold loan portfolio in 3Q and 4Q 2010 (EUR 30 and 32 millions in gross value, respectively) as part of the gross loans portfolio, it dropped in EUR terms by 2.7% y-o-y, while it decreased by 2% on a quarterly basis. The volume of corporate loans decreased by 16% y-o-y, contrary to that, lending to households is picking up (in EUR +7.5% y-o-y, +2.5% q-o-q). The home equity loan portfolio grew q-o-q by 5.6% in EUR terms, and by 6.2% y-o-y. Noteworthy is the 51% yearly growth of non-mortgage backed loans.

Net loan-to-deposit ratio decreased to 100% by the end of 2010 (-2%-points y-o-y).

After the significant rationalisation in 2009 the number of branches decreased by only 1 branch to 76 branches in 2010, the headcount decreased by 34 persons to 573.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija:

Main components of P&L account[1] in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	-8,990	-7,312	-19%	-7,920	-1,935	-3,958	105%	-50%
Pre-tax profit	-9,024	-7,325	-19%	-7,954	-1,935	-3,970	105%	-50%
Operating profit	-2,278	465	-120%	-2,502	137	-339	-348%	-86%
Total income	8,010	6,934	-13%	871	1,602	1,558	-3%	79%
Net interest income	4,051	2,568	-37%	-450	600	419	-30%	-193%
Net fees and commissions	1,954	1,689	-14%	471	461	437	-5%	-7%

Main components of P&L account[1] in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Other net non-interest income	2,004	2,677	34%	850	541	701	30%	-17%
Operating expenses	-10,287	-6,469	-37%	-3,373	-1,465	-1,897	30%	-44%
Provision for possible loan losses	-6,277	-7,288	16%	-5,116	-2,150	-3,224	50%	-37%
Other provision	-470	-502	7%	-336	78	-407	-621%	21%
Main components of balance sheet [1] closing balances in HUF mn	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
Total assets	127,025	114,796	-10%	127,025	116,189	114,796	-1%	-10%
Gross customer loans	89,878	88,753	-1%	89,878	91,567	88,753	-3%	-1%
Retail loans	33,607	35,826	7%	33,607	36,000	35,826	0%	7%
Corporate loans	56,271	52,928	-6%	56,271	55,566	52,928	-5%	-6%
Allowances for possible loan losses	-12,189	-18,560	52%	-12,189	-15,204	-18,560	22%	52%
Deposits from customers	32,395	37,180	15%	32,395	31,930	37,180	16%	15%
Retail deposits	23,546	27,304	16%	23,546	23,953	27,304	14%	16%
Corporate deposits	8,848	9,875	12%	8,848	7,977	9,875	24%	12%
Liabilities to credit institutions	25,952	15,922	-39%	25,952	19,262	15,922	-17%	-39%
Subordinated debt	38,910	40,846	5%	38,910	40,485	40,846	1%	5%
Total shareholders' equity	27,690	17,987	-35%	27,690	22,293	17,987	-19%	-35%
Loan Quality	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	30,321	42,443	40.0%	30,321	38,968	42,443	8.9%	40.0%
90+ days past due loans/gross customer loans (%)	33.7%	47.8%	14.1%	33.7%	42.6%	47.8%	5.3%	14.1%
Cost of risk/average gross loans (%)	6.80%	8.16%	1.36%	22.57%	9.14%	14.19%	5.05%	-8.38%
Total provisions/90+ days past due loans (%)	40.2%	43.7%	3.5%	40.2%	39.0%	43.7%	4.7%	3.5%
Performance Indicators (%)	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
ROA	-6.7%	-6.0%	0.6%	-24.0%	-6.4%	-13.6%	-7.2%	10.4%
ROE	-27.3%	-32.0%	-4.7%	-98.1%	-32.3%	-78.0%	-45.7%	20.1%
Total income margin	5.94%	5.73%	-0.21%	2.64%	5.30%	5.35%	0.06%	2.71%
Net interest margin	3.00%	2.12%	-0.88%	-1.36%	1.98%	1.44%	-0.54%	2.80%
Cost/income ratio	128.4%	93.3%	-35.1%	387.4%	91.5%	121.8%	30.3%	-265.6%
Net loans to deposits	240%	189%	-51%	240%	239%	189%	-50%	-51%

[1] Balance sheet and P&L lines show the aggregated financial performance of OTP Banka Srbija and OTP Factoring Serbia d.o.o

- ***The Bank posted a positive operating result in 2010: although total revenues declined, this was offset by the cost savings***
- ***The loss of HUF 7.3 billion in 2010 is the consequence of the increase in risk costs, justified by the deteriorating loan quality***
- ***The net loan to deposit ratio improved to 189% after the 2% drop of the FX-adjusted loan book and the 14% deposit expansion in 2010***

The Bank realized HUF 7.3 billion loss (without dividend, net cash transfer and one-off items) in 2010, which is 19% less than in the base period. The 2010 operating result turned into positive as cost savings materialized after the operating cost cutting measures took in 2009 offset the declining total revenues. The risk costs soared as the loan quality went on deteriorating significantly in 2010.

The ratio of DPD90+ loans grew further, reaching 47.8% at the end of December (+14.1%-points y-o-y and +5.3%-points q-o-q). Both the yearly and the quarterly deterioration was overwhelmingly attributable to the SME and corporate segment, while in case of households' loans favourable trends could be seen in 2010: as for the mortgage loans, the bad loan ratio remained practically flat, and in the consumer loan segment the DPD90+ ratio bettered somewhat (that was basically the consequence of the volume growth). The coverage ratio of DPD90+ loans improved to 43.7% at the end of 2010 (+3.5%-points y-o-y, +4.7%-points q-o-q).

An important driver of total revenues and operating costs is the portfolio quality development. The interest income booked but not collected in the given fiscal year on loans reclassified into bad categories is deducted from the interest income line. The interest income booked but not collected in relation to these loans earlier than 2010 is reflected not through the reduction of interest income, but through the increase of other expenses. Both items are booked at the date of reclassification in one sum.

When analysing the y-o-y dynamics of 2010 P&L lines, it has to be considered that in 2010 the average exchange rate of HUF versus RSD appreciated by more than 10% y-o-y. This in itself influences negatively the yearly momentum of P&L lines calculated in HUF. In 4Q 2010 the HUF appreciated by nearly 4% against RSD.

In 2010 total revenues decreased by 13% y-o-y in HUF terms and the structure of the total income components changed adversely. The full-year 2010 net interest income decreased y-o-y by 37%. The main reason is that on the top of the FX effect, the loan portfolio on which interest income is booked is significantly lower. The net interest income showed a 30% setback in 4Q 2010 q-o-q, driven basically by the deposit collection through attractive offered interest rates.

The 2010 the net fee and commission income dropped by 14% y-o-y in HUF terms (only -4% in

RSD), the decline was driven by lower fee income on loans. Net card commissions performed well (+27% y-o-y in RSD) which reflects the results of the successful credit card campaign launched at the end of 2009 and continued through 2010 as well.

The development of other net non-interest revenues was to a great extent influenced on the one hand by the previously suspended but in the current period collected interest income which was booked on this line; on the other hand (as a consequence of the RSD depreciation) the offset of the increment of risk costs as a result of the revaluation of provisions due to FX-rate changes was booked on this income line. The yearly growth of other net non-interest income in 2010 and the quarterly improvement in 4Q can be attributed primarily to these two factors.

In 2010 altogether 37% operating cost cutting was realized y-o-y. The development of the operating expenses reflects mainly the results of the significant rationalization measures taken in 2009, and the effect of the above mentioned interest accounting methodology. In 4Q 2010 the level of operating costs went up by 30% q-o-q, mainly due to seasonal factors.

The provision for possible loan losses grew by 16% y-o-y in 2010, compared to the high base in 2009. Mainly the significant portfolio deterioration can be mentioned among the reasons, but the revaluation of the stock of provisions (because of weaker RSD) played a role as well in the increase of risk costs (in 2010 it totalled to almost HUF 0.6 billion). In accordance with the management's intention, out of the HUF 3.2 billion risk cost that emerged in 4Q 2010, almost 58% was set aside in order to boost the coverage ratio. The risk cost rate jumped to 8.16% in 2010 (+1.36%-points y-o-y).

The net loan to deposit ratio fall back to 189% in 2010 (-51%-points y-o-y, which equals to the quarterly change). The deposit base grew by 15% y-o-y and by 16% q-o-q in HUF terms (FX-adjusted changes: +14% y-o-y and +16% q-o-q). More than three quarter of the increment is related to the good performance of household deposit collection; within that, practically the deposit campaign launched in 4Q 2010. The yearly corporate deposit expansion is explained by the 4Q performance as well (+23% q-o-q adjusted for FX-effect in 4Q). Volumes were supported by the deposits of some big corporate clients. Beside of the deposit growth collected through attractive interest rates in 4Q, the liquidity need of the Bank was satisfied by the RSD 2 billion deposit from the mother company (at the end of 2010).

The Bank concentrated its lending activity on the personal loans, which resulted in remarkable FX-adjusted volume growth in this segment (+12% q-o-q). As a result of the RSD liquidity situation of the Bank, the willingness to lend in LCY in the SME and corporate segments fall back significantly. The FX-adjusted volume of SME loans slid by 8% and the corporate loans went down q-o-q by 5%. At the same time, the Bank strengthened the collection activity in these segments.

The headcount declined to 708 persons (-76 persons y-o-y, -29 persons q-o-q); in the course of 2010, five new branches were opened (the branch number remained at 55 q-o-q).

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)[18]

Performance of CKB:

Main components of P&L account in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	428	-16,844		-809	1,005	-4,740	-572%	486%
Pre-tax profit	430	-16,844		-837	1,005	-4,740	-572%	466%
Operating profit	7,227	3,825	-47%	1,897	1,556	611	-61%	-68%
Total income	13,400	9,793	-27%	3,359	2,676	2,244	-16%	-33%
Net interest income	10,136	7,131	-30%	2,594	2,010	1,651	-18%	-36%
Net fees and commissions	2,946	2,981	1%	662	829	760	-8%	15%
Other net non-interest income	318	-319	-200%	103	-163	-167	2%	-262%
Operating expenses	-6,173	-5,968	-3%	-1,462	-1,120	-1,633	46%	12%
Provision for possible loan losses	-6,730	-20,316	202%	-2,465	-534	-4,849	808%	97%
Other provision	-68	-353	422%	-269	-17	-503		87%
Main components of balance sheet closing balances in HUF mn	**2009**	**2010**	**Y-o-Y**	**4Q 2009**	**3Q 2010**	**4Q 2010**	**Q-o-Q**	**Y-o-Y**
Total assets	234,804	212,228	-10%	234,804	208,722	212,228	2%	-10%
Gross customer loans	181,137	158,321	-13%	181,137	156,224	158,321	1%	-13%
Retail loans	112,606	100,069	-11%	112,606	96,867	100,069	3%	-11%
Corporate loans	68,531	58,252	-15%	68,531	59,357	58,252	-2%	-15%
Allowances for possible loan losses	-10,362	-31,149	201%	-10,362	-26,107	-31,149	19%	201%

[18] In 4Q 2010 OTP Groups's Montenegrin collection company (OTP Factoring Montenegro d.o.o.) started its operation, therefore from 4Q 2010 CKB Bank and its subsidiary's consolidated balance sheet and P&L statement are reported.

Main components of balance sheet closing balances in HUF mn	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Deposits from customers	164,317	158,021	-4%	164,317	158,081	158,021	0%	-4%
Retail deposits	90,943	101,295	11%	90,943	97,293	101,295	4%	11%
Corporate deposits	73,374	56,726	-23%	73,374	60,788	56,726	-7%	-23%
Liabilities to credit institutions	30,662	21,860	-29%	30,662	13,638	21,860	60%	-29%
Subordinated debt	7,317	7,532	3%	7,317	7,521	7,532	0%	3%
Total shareholders' equity	23,049	16,222	-30%	23,049	20,899	16,222	-22%	-30%
Loan Quality	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	19,673	42,166	114.3%	19,673	32,063	42,166	31.5%	114.3%
90+ days past due loans/gross customer loans (%)	10.9%	26.6%	15.8%	10.9%	20.5%	26.6%	6.1%	15.8%
Cost of risk/average gross loans (%)	3.09%	11.97%	8.88%	4.88%	1.30%	12.23%	10.93%	7.35%
Total provisions/90+ days past due loans (%)	52.7%	73.9%	21.2%	52.7%	81.4%	73.9%	-7.6%	21.2%
Performance Indicators (%)	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
ROA	0.2%	-7.5%	-7.7%	-1.3%	1.9%	-8.9%	-10.8%	-7.6%
ROE	2.1%	-85.8%	-87.9%	-13.7%	19.2%	-101.3%	-120.6%	-87.6%
Total income margin	4.94%	4.38%	-0.55%	5.44%	5.00%	4.23%	-0.77%	-1.21%
Net interest margin	3.73%	3.19%	-0.54%	4.20%	3.75%	3.11%	-0.64%	-1.09%
Cost/income ratio	46.1%	60.9%	14.9%	43.5%	41.9%	72.8%	30.9%	29.3%
Net loans to deposits	104%	80%	-23%	104%	82%	80%	-2%	-23%

- ***CKB's net loss for the period 2010 was HUF 17 billion due to the declining interest revenues and higher provisioning***
- ***Decreasing income from core banking activities as well as net interest margin both y-o-y and q-o-q***
- ***Portfolio quality deterioration in all segments, DPD90+ coverage ratio improved due to significant provisioning (73.9%)***
- ***Shrinking loan and deposit base, net loan-to-deposit ratio at 80%***

In 2010 net loss for the period was HUF 16.8 billion compared to HUF 0.4 billion net income a year earlier. The unfavourable financial performance of the Bank was driven by the three times higher provisioning y-o-y but the decline (-47%) of operating income had a negative effect, too. Net interest income decreased significantly on a yearly (-30%) and on a quarterly basis (-18%) as well, and though net fees remained flat, total income of the subsidiary decreased. This latter negative impact was only slightly offset by the 3% y-o-y contraction of the operating expenses.

The decline of net interest income was primarily due to the moderated lending activity caused by the downturn in demand for loans. EUR 11 million worth of loan portfolio was sold to OTP Core Hungary in 1Q 2010 and there was a meaningful sale (in the amount of EUR 66 million) of portfolio to the Montenegrin collection company (transferred portfolio is indicated in the balance sheet of CKB Group in gross value, however no interest income is recognized after it). During the first nine months, net interest margin had been increasing steadily (1Q: 3.01%, 2Q: 3.50%; 3Q: 3.75%) mostly as a result of gradual decrease in the deposit rates. However the negative effect of decreasing interest income was reflected in the 4Q (-64 basis point), while net interest margin for the full year decreased by 54% y-o-y.

The net fee and commission income is showing an increase on a yearly basis (+3% in EUR terms) mostly in relation to the improving deposit collection of the Bank, however the quarterly decline was affected by seasonal factors (especially by the increasing turnover of POS terminals as a result of the tourist season in 3Q).

Operating expenses decreased by 3% in a yearly comparison. Personnel expenses increased by 3% y-o-y in relation with one-off items stemming from headcount rationalization, however other expenses decreased by 16% y-o-y mainly driven by the cut on marketing expenditures and rental costs.

The accumulated net loss in 2010 was mainly due to the high level of risk costs; due to the portfolio deterioration the amount of provisions for 2010 was three times higher than a year earlier. The quarterly amount of loan loss provisions was increased further by impairment losses on guarantees (HUF 1 billion negative effect in 4Q). In 4Q 2010 there was a remarkable increase in other provisioning mainly influenced by the provisions made for due but unused holidays. In 4Q the loan portfolio deterioration accelerated in all segments; the volume of DPD90+ loans increased by 31.5% q-o-q; however loan loss provisions were nine times higher than a quarter earlier in order to preserve the favourable coverage ratio.

The DPD90+ ratio deteriorated further in all segments: in case retail mortgage loans reached 14.1% (+2.3%-points q-o-q), in case of consumer loans reached 19.4% (+5.5%-points q-o-q); in case of corporate loans reached 26.4% (+6.6%-points q-o-q), at the same time DPD90+ ratio of the SME sector increased by 9.1%-points to 42.7%. The provision coverage of the non-performing portfolio grew by 21.2% y-o-y reaching 73.9% by end 2010.

2010 was characterized by moderated lending activity, the gross loan portfolio diminished further in EUR terms in each segment; retail and corporate loan books decreased by 14% and 17% y-o-y respectively. The total deposit base diminished further by 7% y-o-y mainly driven by the significant withdrawal of corporate deposits (-13% y-o-y), while it was only partially offset by the increase of the retail deposit base (+8% y-o-y).

There was a remarkable repositioning in the structure of portfolios, thus net loan-to-deposit ratio decreased to 80% (-2%-points q-o-q, -23%-points y-o-y).

As of October 2010 statistics, although the market share of CKB Bank diminished (loan: -320 bps; deposit: -230 bps ytd), the Bank is still keeping its market leader position in the loan (24.3%) and in the deposit (32.4%) market.

Following the net loss realized in 1H 2010 CKB Bank received a capital injection in the amount of EUR 35 million from its parent company in June.

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group was 30,367 as at 30 December 2010, showing a decrease of 970 people over the year-end 2009. The most significant lay-off was carried through at the Ukrainian subsidiary (-758 persons), mainly as a consequence of the moderated lending activity.

The Group's branch network included 1,486 branches at the end of December 2010 (-7 branches q-o-q, -28 branches y-o-y). In the year 2010 the modernization and development of branch and sale network have high priority even in Hungary and in case of countries of foreign subsidiaries.

	31/12/2009	30/09/2010	31/12/2010	Q-o-Q	Y-o-Y
OTP BANK					
Closing staff (persons)	7,820	7,843	7,800	-1%	0%
Per capita total assets (HUF mn)	863.3	859.1	815.1	-5%	-6%
Per capita profit after tax quarterly (HUF mn)	5.3	4.9	3.2	-35%	-41%
GROUP					
Closing staff (persons)	31,337	30,043	30,367	1%	-3%
Per capita consolidated total assets (HUF mn)	311.3	332.0	322.1	-3%	3%
Per capita consolidated profit after tax quarterly (HUF mn)	0.7	1.0	0.6	-44%	-15%

	31 December 2010						*Change (YTD)*					
	Bank branches	ATM	POS	Bank cards (th)	Number of banking clients (zh)	Staff (closing)	Bank branches	ATM	POS	Bank cards (th)	Number of banking clients (zh)	Staff (closing)
OTP Bank	**380**	**1,995**	**39,231**	**3,841**	**4,592**	**7,800**	***-2***	***8***	***3,672***	***29***	***-33***	**-20**
DSK Bank	387	880	5,049	1,196	2,978	4,321	*1*	*10*	*504*	*-8*	*3*	-16
OTP Banka Slovensko	76	117	671	119	193	573	*-1*	*1*	*27*	*0*	*6*	-34
OTP banka Hrvatska	105	217	1,102	385	382	1,016	*0*	*17*	*-79*	*15*	*-73*	2
OTP Bank Romania	106	138	1,106	171	219	1,104	*0*	*2*	*30*	*24*	*13*	10
OTP Bank JSC Ukraine	189	216	400	124	337	3,075	*-17*	*1*	*-3*	*38*	*55*	-758
OTP Bank Russia	155	249	2,218	7,394	3,715	4,768	*-7*	*-2*	*-39*	*3,928*	*916*	17
OTP banka Srbija	55	190	4,054	100	349	708	*5*	*-5*	*459*	*-54*	*-7*	-76
CKB	33	105	3,819	167	290	451	*-7*	*0*	*284*	*-12*	*-30*	-56
Foreign banks total	**1,106**	**2,112**	**18,419**	**9,656**	**8,464**	**16,016**	***-26***	***24***	***1,183***	***3,931***	***883***	**-911**
OTP Bank Russia (employed agents)						**5,358**						**808**
Other Hungarian and foreign subsidiaries						**1,193**						**-325**
Group total (aggregated)	**1,486**	**4,107**	**57,650**	**13,497**	**13,056**	**30,367**	***-28***	***32***	***4,855***	***3,961***	***811***	**-448**
Group total (aggregated)						**25,009**						**-1,256**
OTP Bank Russia (total agents)						**13,845**						**3,168**

PERSONAL AND ORGANIZATIONAL CHANGES

On 22 October 2010 the Board of Directors of OTP Bank decided on setting up a Real Estate, Small Enterprises and Agriculture Division within the Bank. Mr. Dániel Gyuris as a new deputy CEO of the Bank was appointed to run the new division from 1 November 2010. Simultaneously Mr. Dániel Gyuris will resume his duties as Chairman and CEO of OTP Mortgage Bank Ltd. as well as of OTP Building Society Ltd. Mr. Zsolt Oszlanyi, who had held these positions previously, retired on his own request.

Effective from 1 January 2011, the Board of Directors entrusts Dr. László Utassy with the direction of Merkantil Bank Ltd., a 100% subsidiary of OTP Bank. After obtaining the necessary approvals, dr. Utassy is going to be appointed to Chairman and CEO of Merkantil Bank Ltd. Dr. Norbert Szaniszló, who was appointed to acting CEO of Merkantil Bank Ltd. effective from 19 November 2010, will resume his pre-appointment position as deputy CEO of Merkantil Bank Ltd. from 1 January 2010.

Effective from 1 February 2011 Dr. György Szapáry resigned from his title as member of the Board of Directors, because he has been appointed Ambassador of the Hungarian Republic to the United States in Washington DC.

In the first nine months of the year 2010 there was neither change in the composition of the Supervisory Board, nor in the Auditor of the Bank.

FINANCIAL DATA

UNCONSOLIDATED AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

In HUF million	OTP Bank			Consolidated		
	31/12/2010	31/12/2009	change	31/12/2010	31/12/2009	change
Cash, due from banks and balances with the National Bank of Hungary	171,677	178,217	-4%	513,036	505,650	1%
Placements with other banks, net of allowance for possible placement losses	794,686	962,063	-17%	511,246	440,850	16%
Financial assets at fair value through profit and loss	248,790	273,652	-9%	233,667	256,100	-9%
Securities available-for-sale	1,477,930	1,652,747	-11%	1,008,097	1,354,285	-26%
Loans, net of allowance for loan losses	2,723,784	2,622,896	4%	6,741,035	6,412,716	5%
Investments in subsidiaries	637,819	643,907	-1%	11,552	18,834	-39%
Securities held-to-maturity	154,003	216,563	-29%	172,301	188,853	-9%
Premises, equipment and intangible assets, net	105,113	108,563	-3%	480,793	476,358	1%
Other assets	44,219	92,085	-52%	108,887	101,486	7%
TOTAL ASSETS	**6,358,021**	**6,750,692**	**-6%**	**9,780,614**	**9,755,132**	**0%**
Due to banks and deposits from the National Bank of Hungary and other banks	741,845	1,152,131	-36%	681,949	802,749	-15%
Deposits from customers	3,279,573	3,368,752	-3%	5,821,489	5,688,887	2%
Liabilities from issued securities	512,466	618,303	-17%	1,035,153	1,410,348	-27%
Financial liabilities at fair value through profit or loss	257,328	119,353	116%	257,052	118,468	117%
Other liabilities	231,288	252,988	-9%	642,795	380,708	69%
Subordinated bonds and loans	297,638	287,321	4%	290,630	280,834	3%
TOTAL LIABILITIES	**5,320,138**	**5,798,848**	**-8%**	**8,472,016**	**8,563,526**	**-1%**
SHARE CAPITAL	28,000	28,000	0%	28,000	28,000	0%
RETAINED EARNINGS AND RESERVES	1,013,612	927,618	9%	1,327,307	1,210,132	10%
TREASURY SHARES	-3,723	-3,774	-1%	-52,597	-52,678	0%
MINORITY INTEREST				5,888	6,152	-4%
TOTAL SHAREHOLDERS' EQUITY	1,037,883	951,844	9%	1,308,598	1,191,606	10%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,358,021**	**6,750,692**	**-6%**	**9,780,614**	**9,755,132**	**0%**

UNCONSOLIDATED AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank			Consolidated		
	2010	2009	change	2010	2009	change
Loans	228,847	253,822	-10%	741,708	780,161	-5%
Interest income without swap	215,455	240,408	-10%	728,282	766,747	-5%
Results of swaps	13,392	13,414	0%	13,426	13,414	0%
Placements with other banks	297,539	353,911	-16%	301,259	350,742	-14%
Interest income without swap	20,182	27,925	-28%	6,728	10,311	-35%
Results of swaps	277,357	325,986	-15%	294,531	340,431	-13%
Due from banks and balances with the National Bank of Hungary	4,807	7,026	-32%	5,052	7,514	-33%
Securities held-for-trading	2,399	5,297	-55%	2,091	5,556	-62%
Securities available-for-sale	107,113	54,087	98%	73,247	31,373	133%
Securities held-to-maturity	13,752	52,934	-74%	11,990	45,804	-74%
Total Interest Income	654,457	727,077	-10%	1,135,347	1,221,150	-7%
Due to banks and deposits from the National Bank of Hungary and other banks	232,605	265,205	-12%	216,654	244,744	-11%
Interest expenses without swap	18,808	31,448	-40%	15,897	36,536	-56%
Losses of swaps	213,797	233,757	-9%	200,757	208,208	-4%
Deposits from customers	128,885	197,585	-35%	223,812	290,314	-23%
Interest expenses without swap	115,725	183,802	-37%	210,760	276,416	-24%
Losses of swaps	13,160	13,783	-5%	13,052	13,898	-6%
Liabilities from issued securities	33,892	32,474	4%	61,877	79,770	-22%
Subordinated bonds and loans	16,243	17,446	-7%	12,611	16,340	-23%
Other entrepreneurs	0	0		3,969	202	
Total Interest Expense	411,625	512,710	-20%	518,923	631,370	-18%
NET INTEREST INCOME	**242,832**	**214,367**	**13%**	**616,424**	**589,780**	**5%**
Provision for possible loan losses	98,320	76,862	28%	274,644	244,459	12%
Provision for possible placement losses	-780	1,600	-149%	-1,340	4,819	-128%
Provision for possible loan and placement losses	97,540	78,462	24%	273,304	249,278	10%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	145,292	135,905	7%	343,120	340,502	1%
Fees and commissions	145,832	160,881	-9%	177,252	170,335	4%
Foreign exchange gains and losses, net	12,233	-18,487	-166%	31,811	-8,308	-483%
Gains and losses on securities, net	2,209	-1,085	-304%	5,531	7,458	-26%
Gains and losses on real estate transactions, net	-15	-8		845	931	-9%
Dividend income and gains and losses of associated companies	57,651	32,986	75%	951	894	6%
Other	1,686	41,358	-96%	20,936	66,308	-68%
Total Non-Interest Income	219,596	215,645	2%	237,326	237,618	0%
Fees and commissions	20,444	22,080	-7%	36,621	37,422	-2%
Personnel expenses	75,637	77,677	-3%	160,726	155,517	3%
Depreciation and amortization	24,141	22,262	8%	67,324	45,141	49%
Other	110,032	68,162	61%	175,508	169,558	4%
Total Non-Interest Expense	230,254	190,181	21%	440,179	407,638	8%
INCOME BEFORE INCOME TAXES	**134,634**	**161,369**	**-17%**	**140,267**	**170,482**	**-18%**
Income taxes	10,299	3,231	219%	22,387	20,276	10%
INCOME AFTER INCOME TAXES	**124,335**	**158,138**	**-21%**	**117,880**	**150,206**	**-22%**
Minority interest	0	0		-196	839	-123%
NET INCOME	**124,335**	**158,138**	**-21%**	**117,684**	**151,045**	**-22%**

UNCONSOLIDATED AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	OTP Bank			Consolidated		
	31/12/2010	31/12/2009	change	31/12/2010	31/12/2009	change
OPERATING ACTIVITIES						
Income before income taxes	134,634	161,369	-17%	140,267	170,482	-18%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-7,404	-13,278	-44%	-21,748	-34,273	-37%
Goodwill impairment	0	0		18,519	0	
Depreciation, amortization	24,141	22,262	8%	48,805	45,141	8%
Provision for loan and placement losses	99,132	77,522	28%	264,390	267,321	-1%
Share-based compensation	-11,821	6,802	-274%	-11,821	6,802	-274%
Unrealised losses on fair value adjustment of securities held of trading	9,033	1,634	453%	3,428	4,579	-25%
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	1,737	34,568	-95%	106,972	9,891	982%
Changes in operating assets and liabilities	41,996	-30,379	-238%	-37,985	56,627	-167%
Net cash provided by operating activities	**291,448**	**260,500**	**12%**	**510,827**	**526,570**	-3%
INVESTING ACTIVITIES						
Net cash used in investing activities	**293,741**	**-914,944**	**-132%**	**246,388**	**714,476**	-66%
FINANCING ACTIVITIES						
Net cash provided by financing activities	**-602,671**	**666,472**	**-190%**	**-252,937**	**152,513**	-266%
Net (decrease) / increase in cash and cash equivalents	**-17,482**	**12,028**	**-245%**	**11,502**	**-35,393**	-132%
Cash and cash equivalents at the beginning of the period	105,679	93,651	13%	243,541	278,934	-13%
Cash and cash equivalents at the end of the period	**88,197**	**105,679**	**-17%**	**255,043**	**243,541**	5%
DETAILS OF CASH AND CASH EQUIVALENTS						
Cash, due from banks and balances with the National Bank of Hungary	178,217	158,022	13%	505,649	530,007	-5%
Mandatory reserve established by the National Bank of Hungary	-72,538	-64,371	13%	-262,108	-251,073	4%
Cash and equivalents at the beginning of the period	**105,679**	**93,651**	**13%**	**243,541**	**278,934**	-13%
Cash, due from banks and balances with the National Bank of Hungary	171,677	178,217	-4%	513,036	505,649	1%
Compulsory reserve established by the National Bank of Hungary	-83,480	-72,538	15%	-257,993	-262,108	-2%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**88,197**	**105,679**	**-17%**	**255,043**	**243,541**	5%

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Share-based payment reserve	Retained earnings and reserved	Put option reserve	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2010	***28,000***	***52***	***6,830***	***1,258,718***	***-55,468***	***-52,678***	***6,152***	***1,191,606***
	0	0	0	0	0	0	0	0
Comprehensive income for the period	--	--	--	135,690		--	--	135,690
Share-based payment	--	--	-6,802	-5,019		--	--	-11,821
Closed share-based payment								0
Treasury stock transactions								0
Dividend payment of the year 2009	--	--	--	--		--	--	0
Put options on treasury shares								0
Repurchased treasury shares								0
- sale of Treasury shares	0	0	0	0	0	496	0	496
- loss on sale of Treasury shares	0	0	0	-25	0	0	0	-25
- change in the volume of Treasury shares	0	0	0	0	0	-415	0	-415
ICES (convertible bond) - payments to owners	0	0	0	-6,669	0	0	0	-6,669
Minority interest	--	--	--	--	--	--	-264	-264
Balance as at 31 December 2010	***28,000***	***52***	***28***	***1,382,695***	***-55,468***	***-52,597***	***5,888***	***1,308,598***

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2010			31 December 2010		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	15.3%	15.5%	42,830,149	16.8%	17.0%	46,993,728
Foreign institution/company	70.2%	71.3%	196,510,128	69.9%	71.0%	195,839,614
Domestic individual	7.3%	7.4%	20,345,597	7.4%	7.5%	20,639,194
Foreign individual	1.3%	1.3%	3,526,188	0.1%	0.1%	409,291
Employees, senior officers	1.9%	2.0%	5,381,732	1.7%	1.8%	4,875,825
Treasury shares	1.5%	0.0%	4,284,020	1.5%	0.0%	4,226,432
Government held owner[3]	0.5%	0.5%	1,336,637	0.4%	0.4%	1,230,367
International Development Institutions[4]	2.1%	2.1%	5,785,559	2.1%	2.1%	5,785,559
Other	0.0%	0.0%	0	0.0%	0.0%	0
TOTAL	**100.0%**	**100.0%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights
[2] Beneficial ownership
[3] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies etc.
[4] E.g.: EBRD, EIB, etc.

Number of treasury shares held in the year under review

	1 January	31 March	30 June	30 September	31 December
Company	2,185,460	2,185,004	2,154,155	2,152,612	2.152.872
Subsidiaries	2,098,560	2,098,560	2,098,560	2,098,560	2.073.560
TOTAL	4,284,020	4,283,564	4,252,715	4,251,172	4.226.432

Shareholders with over/around 5% stake

Name	Number of shares	Voting rights	Beneficial ownership
Megdet, Timur and Ruszlan Rahimkulov	25,195,912	9.00%	9.13%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.70%
Groupama Group	23,257,160	8.31%	8.43%
Lazard Asset Management	16,504,854	5.89%	5.98%

Changes in the headcount (number of persons) employed by the Bank and the subsidiaries

	End of reference period	Current period opening	Current period closing
Bank	7,820	7,820	7,800
Consolidated	31,337	31,337	30,367

Senior officers, strategic employees and their shareholding of OTP shares

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	200,000
IT	Mihály Baumstark	member	0
IT	Dr. Tibor Bíró	member	40,681
IT	Péter Braun	member	527,905
IT	Dr. István Kocsis	member	81,600
IT	Dr. Antal Pongrácz	Deputy Chairman, Deputy CEO	200,000
IT	Dr. György Szapáry	member	0
IT	Dr. László Utassy	member	260,000
IT	Dr. József Vörös	member	117,200
FB	Tibor Tolnay	Chairman	0
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member, Deputy CEO	23,000
FB	Jean-Francois Lemoux	member	0
FB	András Michnai	member	15,600
SP	László Bencsik	CFO, Deputy CEO	0
SP	Dr. István Gresa	Deputy CEO	63,758
SP	Daniel Gyuris	Deputy CEO	0
SP	Ákos Takáts	Deputy CEO	153,347
SP	László Wolf	Deputy CEO	654,640
TOTAL No. of shares held by management:			**2,337,731**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Mr. Csányi directly or indirectly: 2,700,000

SUPPLEMENTARY DATA

FOOTNOTES OF THE TABLE 'CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)

General note: regarding OTP Core and other subsidiaries, profit after tax is calculated without received dividends and net cash transfers. Regarding dividends and net cash transfers received from non-group member companies, it is shown on a separate line in one sum in the table, regardless to the particular receiver or payer group member company.

(1) Revaluation result of the strategic open FX position. Size and denomination of the short position developed as follows:

01.01.2007-10.01.2008: EUR 570 million short position

21.01.2008: EUR 525 million short position plus USD 65 million short position

22.01.2008-07.09.2008: EUR 515 million short position plus USD 80 million short position

08.09.2008: EUR 495 million short position plus USD 108 million short position

09.09.2008-10.09.2008: EUR 485 million short position plus USD 122 million short position

11.09.2008-12.09.2008: EUR 465 million short position plus USD 150 million short position

13.09.2008-28.12.2008: EUR 315 million short position plus USD 150 million short position

29.12.2008-05.01.2009: EUR 300 million short position plus USD 75 million short position

06.01.2009- : EUR 310 million short position plus USD 61.5 million short position

Since the beginning of 2007, OTP Group has been holding a strategic open FX position in order to hedge its net profit's exposure to the exchange rate movements of the Hungarian forint, stemming from the translation of the foreign subsidiaries' P&L's from local currencies to HUF. Since 1Q 2009, the Bank re-qualified the strategic open FX-position as a hedge transaction. Consequently, going forward, the exchange rate effect of EUR 310 million short position (83% of the whole strategic position) equal to 2009 and 2010 yearly result of 4 subsidiaries (DSK, CKB, OTP banka Hrvatska and OTP Banka Slovensko) is to be booked against equity. Accordingly in 1Q out of the total HUF 16.2 billion pre-tax revaluation loss generated on the whole strategic open position HUF 13.8 billion was booked against equity and only HUF 2.4 billion debited pre tax profit.

(2) In 2Q 2010, majority of the goodwill related to CKB (Montenegro) was written off, having a HUF 18.5 billion pre tax and a HUF 15.0 billion after tax impact on the consolidated P&L. After the successful performance through several years, from last fall 2009 the deteriorating macro environment induced a significant portfolio worsening and CKB's results turned into red for the last three consecutive quarters. In June 2010 OTP also had to inject capital into its Montenegrin operation. Those were the key reasons behind the goodwill impairment.

(3) OTP Core, Corporate Centre and foreign banks aggregated, excluding one-timers.

(4) Within OTP Group, the Corporate Centre acts as a virtual entity established by the equity investment of OTP Core for managing the wholesale financing activity for all the subsidiaries within OTP Group but outside OTP Core. Therefore the balance sheet of the Corporate Centre is funded by the equity and intragroup lending received from OTP Core plus the subordinated debt and senior notes arranged by OTP Bank under its running EMTN program. From this funding pool, the Corporate Centre is to provide intragroup lending to, and hold equity stakes in OTP subsidiaries outside OTP Core. Within OTP Group, the full range of financing and investments into non-OTP Core subsidiaries is allocated to the Corporate Centre. Main subsidiaries financed by Corporate Centre are as follows: Hungarians: Merkantil Bank Ltd, Merkantil Car Ltd, Merkantil Leasing Ltd, OTP Real Estate Leasing Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: leasing companies, factoring companies.

(5) From 2010 3Q, statements are based on the aggregated financials of DSK Group and the newly established Bulgarian collection company - OTP Factoring Bulgaria LLC.

(6) One-off losses booked in relation to loan transfers.

(7) Aggregated after tax profit of Merkantil Bank and Merkantil Car without dividends, net cash transfer and provisioning after investments in subsidiaries.

(8) Correction item booked in relation to the sale of OTP Leasing a.s in 1Q 2009.

(9) Until 4Q 2008: OTP Leasing a.s. (Slovakia), since 4Q 2009: OTP Leasing Romania IFN S.A. (Romania), Z plus d.o.o. (Croatia), OTP Leasing d.d. (Croatia), DSK Leasing AD (Bulgaria).

(10) LLC AMC OTP Capitol (Ukraine) and OTP Asset Management SAI S.A. (Romania)

(11) HIF Ltd. (United Kingdom), OTP Faktoring Slovensko (Slovakia), OTP Holding Limited (Cyprus), Velvin Ventures Ltd. (Belize), OTP Faktoring SRL (Romania)

(12) Total Hungarian subsidiaries: sum of after tax results of Hungarian group members including (Corporate Centre) and related eliminations.

(13) Total Foreign subsidiaries: sum of profit after tax (without dividends and net cash transfers) of foreign subsidiaries.

CALCULATION OF ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS PRESENTED IN THE REPORT

In order to present Group level trends in a comprehensive way in the Interim Management Report, the presented consolidated and unconsolidated profit and loss statements of the Report were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Report. Consolidated accounting figures together with unconsolidated accounting figures of OTP Bank are still disclosed in the Financial Data section of the Report.

- Received dividends, received and paid cash transfers, together with the after tax profit of strategic open FX position is shown separately and after-tax on the adjusted Statement of Recognised Income.
- Out of net Foreign exchange results, fair value adjustment (FVA) of the spot leg of FX swaps has been reclassified to Net Interest Income.
- Other non-interest income elements stemming from provisioning release in connection with loans originated before the acquisitions of the subsidiaries have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates net other non-interest income from non-financial activities.
- Out of other expenses, other provisions are deducted and shown separately as other risk costs on the adjusted income statement. Other provisions contain provisioning on off-balance sheet liabilities and on legal contests, provisioning on securities, shares and other investments as well as provisioning on other assets. Paid cash transfers – excluding movie subsidies and cash transfers to public benefit organisations, which are quasi marketing expenses but kept as paid cash transfer on the P&L – are also deducted from other expenses, together with the above mentioned other non-interest expenses stemming from non-financial activities.
- Provisioning for the interest income of non-performing loans at OTP Bank (Russia) is reclassified from other risk costs to net interest income from 4Q 2007. The reclassification is carried out on both consolidated and non-consolidated level.
- In 1Q 2010, parallel losses on sale of securities and release of other provisions for these securities were netted and are shown together on line "Gain/loss on securities, net" both at OTP Group consolidated and at OTP Core stand alone level. The negative P&L effect stemming from the deteriorated value of these securities was suffered in previous quarters – at the time of emerging of the above mentioned other provisions.
- In 4Q 2010, the fee expenses paid by Merkantil Group to car dealers ('dealer fees') were registered as interest expense on the income statement. Earlier this item had been booked as fee expense. In order to create a comparable time series, within the 4Q and full year adjusted financial statements of the report, dealer fees are reclassified from net interest income to net fees and commissions – both on the consolidated and on a standalone level.
- Within the aggregated income statement of Merkantil Bank and Car, other risk cost related to foreign leasing companies – as investments of the Group – is eliminated. The reason behind is that this provisioning is eliminated in the consolidated income statement of OTP Group, and only the net result of the foreign leasing companies is making part of OTP Group's consolidated net earnings. Cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding one timers such as received dividends and net cash transfers, the after tax result of strategic open FX position, the net profit of the sale of OTP Garancia and the after tax effect of the goodwill write-downs. Cost/income ratio is calculated from operating costs, excluding other risk costs.
- Regarding consolidated ROA and ROE indicators, until the end of 2008 and from the beginning of 2010 they are calculated from the adjusted profit after tax of the Group, therefore they are excluding the effect of exceptional items. However during 2009, they are calculated from the accounting (unadjusted) net profit figures, because in 2009 the profit was not affected significantly by one-off items.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 09	2Q 09	3Q 09	4Q 09 Audited	2009 Audited	1Q 10	2Q 10	3Q 10	4Q 10 Preliminary	2010 Preliminary
Net interest income	**156,385**	**147,479**	**140,577**	**145,338**	**589,780**	**142,633**	**172,332**	**150,260**	**151,200**	**616,425**
(+) Foreign exchange result of swap transactions	3,841	-3,841	0	0	0	0	0	0	0	0
(+) Other provisioning for the interest income of non-performing loans at OTP Russia	-2,100	-2,518	-2,823	7,441	0	0	0	0	0	0
(-) Agent fees paid to car dealers by Merkantil Group									-3,929	-3,929
Net interest income (adj)	**158,126**	**141,120**	**137,754**	**152,780**	**589,780**	**142,633**	**172,332**	**150,260**	**155,130**	**620,354**
Net fees and commissions	**31,877**	**33,458**	**33,123**	**34,454**	**132,913**	**31,141**	**33,983**	**33,997**	**41,510**	**140,631**
(+) Agent fees paid to car dealers by Merkantil Group									-3,929	-3,929
Net fees and commissions (adj.)	**31,877**	**33,458**	**33,123**	**34,454**	**132,913**	**31,141**	**33,983**	**33,997**	**37,581**	**136,702**
Foreign exchange result on Consolidated IFRS P&L	**-11,806**	**-4,780**	**4,548**	**3,730**	**-8,308**	**4,448**	**22,881**	**-2,827**	**7,310**	**31,811**
(-) Foreign exchange result of swap transactions	3,841	-3,841	0	0	0	0	0	0	0	0
(-) Result of strategic open FX position	-2,390	0	0	0	-2,390	0	0	0	0	0
Foreign exchange result (adj.)	**-13,257**	**-939**	**4,548**	**3,730**	**-5,919**	**4,448**	**22,881**	**-2,827**	**7,310**	**31,811**
Gain/loss on securities, net	**-4,723**	**4,556**	**7,450**	**175**	**7,459**	**311**	**3,088**	**1,949**	**183**	**5,530**
(+) Release of other provisions for securities						9,384	0	0	0	9,384
Gain/loss on securities, net (adj.)	**-4,723**	**4,556**	**7,450**	**175**	**7,459**	**9,695**	**3,088**	**1,949**	**183**	**14,915**
Gains and losses on real estate transactions	**269**	**226**	**395**	**40**	**931**	**198**	**341**	**194**	**112**	**845**
(+) Other non-interest income	**30,273**	**15,267**	**8,298**	**12,470**	**66,309**	**5,202**	**6,084**	**5,472**	**4,179**	**20,937**
(-) Received cash transfers	4	5	7	-12	4	1	21	36	-26	32
(-) Non-interest income from the release of pre-acquisition provisions	646	623	616	459	2,344	334	300	-576	108	165
(+) Other non-interest expenses	-1,194	-1,070	998	-1,774	-3,041	-346	-448	-1,664	-1,650	-4,108
Net other non-interest result (adj)	**28,698**	**13,795**	**9,068**	**10,290**	**61,851**	**4,719**	**5,655**	**4,542**	**2,560**	**17,476**
Provision for possible loan losses	**-46,047**	**-56,116**	**-67,251**	**-79,864**	**-249,279**	**-54,822**	**-96,406**	**-52,121**	**-69,956**	**-273,305**
(+) Non-interest income from the release of pre-acquisition provisions	646	623	616	459	2,344	334	300	-576	108	165
Provision for possible loan losses (adj)	**-45,401**	**-55,493**	**-66,635**	**-79,406**	**-246,935**	**-54,488**	**-96,105**	**-52,697**	**-69,848**	**-273,139**
Other expenses	**-45,384**	**-48,336**	**-38,530**	**-37,308**	**-169,558**	**-25,234**	**-36,844**	**-54,460**	**-58,972**	**-175,509**
(-) Other provisions	-8,293	-9,152	-5,228	4,628	-18,044	8,761	551	-724	1,139	9,726
(-) Paid cash transfers	-95	-88	-301	-793	-1,277	-350	-213	-79	-1,556	-2,199
(+) Film subsidies and cash transfers to public benefit organizations	-65	-93	-298	-715	-1,170	-298	-227	-38	-1,142	-1,704
(-) Other non-interest expenses	-1,194	-1,070	998	-1,774	-3,041	-346	-448	-1,664	-1,650	-4,108
(-) Special tax on financial institutions								-18,038	-18,060	-36,098
Other expenses (adj)	**-35,867**	**-38,119**	**-34,297**	**-40,084**	**-148,367**	**-33,596**	**-36,960**	**-33,992**	**-39,986**	**-144,535**
Other risk costs	**-8,293**	**-9,152**	**-5,228**	**4,628**	**-18,044**	**8,761**	**551**	**-724**	**1,139**	**9,726**
(-) Other provisioning for the interest income of non-performing loans at OTP Bank Russia	-2,100	-2,518	-2,823	7,441	0	0	0	0	0	0
(-) Release of other provisions for securities						9,384	0	0	0	9,384
Other risk costs (adj)	**-6,193**	**-6,633**	**-2,405**	**-2,813**	**-18,044**	**-624**	**551**	**-724**	**1,139**	**342**
After tax dividends and net cash transfers	**315**	**393**	**-269**	**-817**	**-378**	**-319**	**-134**	**266**	**-1,028**	**-1,215**
(-) Film subsidies and cash transfers to public benefit organizations	-65	-93	-298	-715	-1,170	-298	-227	-38	-1,142	-1,704
After tax dividends and net cash transfers	**380**	**486**	**29**	**-102**	**792**	**-21**	**92**	**303**	**114**	**488**
Depreciation	**-10,291**	**-10,483**	**-10,694**	**-13,673**	**-45,141**	**-11,423**	**-30,578**	**-12,621**	**-12,702**	**-67,324**
(-) Goodwill impairment charges (OTP banka Srbija (Serbia), OTP Bank JSC (Ukraine))	0	0	0	0	0	0	-18,519	0	0	-18,519
Depreciation (adj)	**-10,291**	**-10,483**	**-10,694**	**-13,673**	**-45,141**	**-11,423**	**-12,059**	**-12,621**	**-12,702**	**-48,805**

TIME SERIES UNDER THE OLD METHOD FOR THE FINANCIALS AFFECTED BY THE UPDATE OF THE CALCULATION METHODOLOGY OF OTP CORE

Consolidated after tax profit breakdown by subsidiaries (IFRS) – UNDER THE OLD METHODOLOGY [19]

in HUF million	2009	2010	Y-o-Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
Consolidated after tax profit	**150,206**	**117,880**	**-22%**	**20,284**	**30,941**	**17,180**	**-44%**	**-15%**
Profit of the strategic short position[1] (after tax)	-1,912	0	-100%	0	0	0		
Dividend and total net cash transfers (consolidated)	792	488	-38%	-102	303	114	-62%	-211%
Goodwill impairment charges (after tax)[2]	0	-15,001		0	0	0		
Special tax on financial institutions (after corporate income tax)	0	-29,471	0%	0	-14,725	-14,746	0%	0%
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, goodwill impairment charges and special financial institution taxes	**151,326**	**161,864**	**7%**	**20,386**	**45,362**	**31,812**	**-30%**	**56%**
Banks total without one-off items[3]	145,844	158,725	9%	18,742	41,905	35,132	-16%	87%
OTP CORE (Hungary)	178,289	137,036	-23%	39,218	25,123	32,053	28%	-18%
Corporate Centre (after tax)[4]	-6,067	2,823	-147%	-1,757	187	-465	-349%	-74%
OTP Bank Russia	3,086	20,546	566%	1,732	8,696	7,035	-19%	306%
OTP Bank JSC (Ukraine)	-43,650	8,928	-120%	-14,423	4,959	2,862	-42%	-120%
DSK Bank (Bulgaria)[5]	24,797	18,186	-27%	7,278	5,292	3,675	-31%	-50%
OBR adj. (Romania)	1,136	-6,406	-664%	384	-2,142	-2,210	3%	-676%
OTP banka Srbija (Serbia)	-8,990	-7,312	-19%	-7,920	-1,935	-3,958	105%	-50%
OBH (Croatia)	3,245	2,721	-16%	693	547	1,005	84%	45%
OBS (Slovakia)	-6,673	-952	-86%	-5,654	172	-125	-173%	-98%
OBS, adj.	-6,429	-952	-85%	-5,653	172	-125	-173%	-98%
OBS one-off items[6]	-244	-	-100%	-1	-	-		-100%
CKB (Montenegro)	428	-16,844		-809	1,005	-4,740	-572%	486%
Leasing	-1,246	-6,337	408%	-1,256	744	-4,610	-720%	267%
Merkantil Bank + Car, adj. (Hungary)[7]	-68	-4,123		-65	63	-3,216		
Merkantil Bank + Car one-off items[8]	12	0	-100%	0	0	0		
Foreign leasing companies (Slovakia, Croatia, Bulgaria, Romania)[9]	-1,191	-2,214	86%	-1,191	681	-1,394	-305%	17%
Asset Management	5,104	7,448	46%	1,443	1,589	1,551	-2%	8%
OTP Asset Management (Hungary)	5,124	7,456	46%	1,443	1,585	1,566	-1%	9%
Foreign Asset Management Companies (Ukraine, Romania)[10]	-20	-8	-61%	-1	4	-15	-453%	1831%
Other Hungarian Subsidiaries	-2,148	-994	-54%	-1,465	103	-1,641		12%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Cyprus, Romania, Belize)[11]	3,404	-6	-100%	2,844	49	25	-49%	-99%
Eliminations	612	3,003	391%	79	947	1,356	43%	
Total after tax profit of HUNGARIAN subsidiaries[12]	175,754	145,201	-17%	37,454	28,008	29,653	6%	-21%
Total after tax profit of FOREIGN subsidiaries[13]	-24,428	16,665	-168%	-17,067	17,356	2,160	-88%	-113%
Share of foreign profit contribution, %	-16%	10%	26%	-84%	38%	7%	-31%	91%

[19] Belonging footnotes are in the Supplementary data section of the Report.

OTP Core Statement of recognized income – UNDER THE OLD METHODOLOGY

Main components of the Statement of recognized income in HUF mn	2009	2010	Y/Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
OTP CORE after-tax profit w/o dividends and net cash transfer	178,289	137,036	-23%	39,218	25,123	32,053	28%	-18%
OTP CORE pre-tax profit	194,153	162,251	-16%	41,354	23,656	39,699	68%	-4%
Operating profit	265,970	276,605	4%	63,009	51,842	57,843	12%	-8%
Total income	445,574	455,178	2%	109,686	95,184	106,171	12%	-3%
Net interest income	320,579	331,740	3%	85,270	74,921	80,996	8%	-5%
Net interest income without the revaluation result of FX swaps	*320,579*	*313,009*	*-2%*	*85,270*	*78,778*	*80,996*	*3%*	*-5%*
Net fees and commissions	88,379	84,806	-4%	22,415	20,095	22,581	12%	1%
Other net non-interest income	36,616	38,632	6%	2,001	168	2,593	1441%	30%
Operating expenses	-179,604	-178,574	-0.6%	-46,677	-43,342	-48,328	12%	4%
Total provisions	-71,817	-114,354	59%	-21,655	-28,186	-18,144	-36%	-16%
Provisions for loan losses	-72,530	-115,066	59%	-23,424	-25,867	-21,622	-16%	-8%
Other provisions	713	712	0%	1,768	-2,319	3,478	-250%	97%
Revenues by Business Lines								
RETAIL								
Total income	325,673	323,137	-1%	77,527	82,464	78,393	-5%	1%
Net interest income	241,774	243,875	1%	56,432	62,582	59,407	-5%	5%
Net fees and commissions	78,805	74,827	-5%	19,879	18,669	18,312	-2%	-8%
Other net non-interest income	5,094	4,435	-13%	1,216	1,213	673	-45%	-45%
CORPORATE								
Total income	32,335	38,532	19%	9,895	8,401	12,124	44%	23%
Net interest income	20,094	24,862	24%	5,840	6,330	6,639	5%	14%
Net fees and commissions	10,751	12,374	15%	3,699	1,716	5,288	208%	43%
Other net non-interest income	1,489	1,296	-13%	355	355	197	-45%	-45%
Treasury ALM								
Total income	84,901	96,210	13%	23,486	4,576	17,927	292%	-24%
Net interest income	58,711	63,003	7%	22,998	6,009	14,950	149%	-35%
Net fees and commissions	1,274	1,438	13%	195	420	363	-13%	87%
Other net non-interest income	24,917	31,768	27%	294	-1,852	2,613	-241%	790%
Indicators (%)	2009	2010	Y/Y	4Q 2009	3Q 2010	4Q 2010	Q-o-Q	Y-o-Y
ROA	3.3%	2.4%	-0.9%	2.7%	1.7%	2.2%	0.5%	-0.5%
ROE	19.6%	13.3%	-6.2%	16.1%	9.3%	11.9%	2.5%	-4.2%
Total income margin	8.27%	7.89%	-0.39%	7.57%	6.36%	7.22%	0.87%	-0.35%
Net interest margin	5.95%	5.75%	-0.20%	5.89%	5.00%	5.51%	0.51%	-0.37%
Net interest margin without the revaluation result of FX swaps	*5.95%*	*5.42%*	*-0.53%*	*5.89%*	*5.26%*	*5.51%*	*0.25%*	*-0.37%*
Cost of risk/average gross loans	2.15%	3.19%	1.04%	2.74%	2.75%	2.28%	-0.47%	-0.46%
Cost/income ratio	40.3%	39.2%	-1.1%	42.6%	45.5%	45.5%	0.0%	3.0%
Effective tax rate	8.2%	15.5%	7.4%	5.2%	-6.2%	19.3%	25.5%	14.1%

Main components of OTP Core balance sheet – UNDER THE OLD METHODOLOGY:

Main components of balance sheet (closing balances, in HUF mn)	4Q 2009	2010 3Q	2010 4Q	Q-o-Q	Y-o-Y
Total Assets	5,805,466	5,939,893	5,720,796	-4%	-1%
Gross customer loans	3,396,769	3,704,949	3,823,487	3%	13%
Retail loans	2,186,022	2,316,868	2,376,884	3%	9%
Corporate loans	1,210,747	1,388,081	1,446,603	4%	19%
Allowances for loan losses	-188,502	-275,397	-298,096	8%	58%
Deposits from customers	3,496,796	3,625,505	3,438,113	-5%	-2%
Deposits from customers + retail bonds	*3,733,529*	*3,901,058*	*3,721,759*	*-5%*	*0%*
Retail deposits	2,470,161	2,416,523	2,488,066	3%	1%
Retail deposits + retail bonds	*2,706,894*	*2,692,076*	*2,771,712*	*3%*	*2%*
Corporate deposits	1,026,635	1,208,982	950,047	-21%	-7%
Liabilities to credit institutions and governments	823,211	798,667	709,619	-11%	-14%
Issued securities	1,305,525	1,015,335	962,778	-5%	-26%
o/w retail bonds	*236,733*	*275,553*	*283,646*	*3%*	*20%*
Total shareholders' equity	990,236	1,072,503	1,067,926	0%	8%
Loan Quality (%)	4Q 2009	2010 3Q	2010 4Q	Q-o-Q	Y-o-Y
90+ days past due loan volume	251,594	352,261	381,262	8%	52%
90+ days past due loans/gross customer loans	7.4%	9.5%	10.0%	0.5%	2.6%
Total provisions/90+ days past due loans	74.9%	78.2%	78.2%	0.0%	3.3%
Market Share (%)	4Q 2009	2010 3Q	2010 4Q	Q-o-Q	Y-o-Y
Loans	17.8%	18.3%	18.4%	0.2%	0.6%
Deposits	24.2%	24.7%	24.0%	-0.7%	-0.2%
Total Assets	26.3%	24.9%	24.8%	-0.1%	-1.5%
Indicators (%)	4Q 2009	2010 3Q	2010 4Q	Q-o-Q	Y-o-Y
Gross loans to deposits	97%	102%	111%	9%	14%
Net loans to (deposits + retail bonds)	86%	88%	95%	7%	9%
Leverage (Shareholder's Equity/Total Assets)	17.1%	18.1%	18.7%	0.6%	1.6%
Capital adequacy ratio (OTP Bank, non-consolidated, HAS)	16.2%	17.8%	18.1%	0.4%	1.9%
Tier1 ratio (OTP Bank, non-consolidated, HAS)	13.1%	15.0%	15.4%	0.4%	2.3%

TIME SERIES UNDER THE OLD AND NEW METHOD FOR THE FINANCIALS AFFECTED BY THE UPDATE OF THE CALCULATION METHODOLOGY OF MERKANTIL GORUP FROM 4Q 2010

Methodological changes: in 4Q 2009 and 4Q 2010, within the aggregated income statement of Merkantil Bank and Car, the other risk cost set aside in relation to their subsidiaries as investments was eliminated. The reason behind is that these items were eliminated in the consolidated income statement of OTP Group, and only the net result of the foreign leasing companies is making part of OTP Group's consolidated net earnings.

In addition, loans that Merkantil Bank granted to Merkantil Car – previously shown on the corporate loans line – have been eliminated from the corporate loans and the balance sheet total lines as well (these items do not appear on consolidated level). The methodological change was also executed for 2009 in order to maintain comparability of the time series. As a result, certain financial data and indicators have changed compared to the previously reported data. (The most significant change is the elimination of HUF 1.8 billion other provision from the financial result of Merkantil Group in 4Q 2009 and full-year 2009 as well. This item did not appear on consolidated level.)

Merkantil Bank and Car's financial data – UNDER THE OLD METHODOLOGY:

Main components of P&L account in HUF mn	4Q 2009	2009	3Q 2010	4Q 2010	2010
After tax profit w/o dividends, net cash transfers and one-offs	-1,827	-1,830	63	-8,237	-9,144
Pre-tax profit	-1,940	-1,815	63	-8,239	-9,146
Operating profit	2,796	11,813	1,927	2,038	9,784
Total income	4,195	16,901	3,075	3,412	14,793
Net interest income	4,641	19,630	4,340	4,099	17,329
Net fees and commissions	-1,195	-4,867	-1,013	-955	-4,077
Other net non-interest income	749	2,138	-251	268	1,541
Operating expenses	-1,400	-5,088	-1,148	-1,374	-5,009
Provision for possible loan losses	-2,862	-11,504	-1,829	-5,180	-13,674
Other provision	-1,874	-2,123	-36	-5,098	-5,256
Main components of balance sheet closing balances in HUF mn	**4Q 2009**	**2009**	**3Q 2010**	**4Q 2010**	**2010**
Total assets	308,706	308,706	311,924	305,325	305,325
Gross customer loans	312,698	312,698	326,848	328,165	328,165
Retail loans	80	80	238	396	396
Corporate loans	37,850	37,850	51,214	48,907	48,907
Car financing loans	274,768	274,768	275,396	278,863	278,863
Allowances for possible loan losses	-34,393	-34,393	-42,645	-47,550	-47,550
Deposits from customers	5,467	5,467	4,477	4,784	4,784
Retail deposits	1,496	1,496	1,591	2,017	2,017
Corporate deposits	3,971	3,971	2,886	2,767	2,767
Liabilities to credit institutions	235,553	235,553	249,398	248,874	248,874
Total shareholders' equity	31,444	31,444	29,132	22,180	22,180
Loan Quality	**4Q 2009**	**2009**	**3Q 2010**	**4Q 2010**	**2010**
90+ days past due loan volume (in HUF million)	38,469	38,469	50,565	54,161	54,161
90+ days past due loans/gross customer loans (%)	12.3%	12.3%	15.5%	16.5%	16.5%
Cost of risk/average gross loans (%)	3.62%	3.64%	2.29%	6.69%	4.43%
Total provisions/90+ days past due loans (%)	89.4%	89.4%	84.3%	87.8%	87.8%
Performance Indicators (%)	**4Q 2009**	**2009**	**3Q 2010**	**4Q 2010**	**2010**
ROA	-2.3%	-0.6%	0.1%	-10.6%	-3.0%
ROE	-22.4%	-5.5%	0.8%	-127.4%	-34.1%
Net interest margin	5.93%	5.92%	5.35%	5.27%	5.64%
Cost of risk/average gross loans	3.62%	3.64%	2.29%	6.69%	4.43%
Cost/income ratio	33.4%	30.1%	37.3%	40.3%	33.9%

Items eliminated (in HUF million):

Correction of loans that Merkantil Bank granted to Merkantil Car – previously shown on the corporate loans line –	3,765	3,765	20,596	19,966	19,966
Elimination of other risk cost set aside in relation to the subsidiaries as investments	-1,762	-1,762		-5,021	-5,021

Merkantil Bank and Car's financial data – UNDER THE NEW METHODOLOGY:

Main components of P&L account in HUF mn	4Q 2009	2009	3Q 2010	4Q 2010	2010
After tax profit w/o dividends, net cash transfers and one-offs	-65	-68	63	-3,217	-4,123
Pre-tax profit	-178	-52	63	-3,219	-4,125
Operating profit	2,796	11,813	1,927	2,038	9,784
Total income	4,195	16,901	3,075	3,412	14,793
Net interest income	4,641	19,630	4,340	4,099	17,329
Net fees and commissions	-1,195	-4,867	-1,013	-955	-4,077
Other net non-interest income	749	2,138	-251	268	1,541
Operating expenses	-1,400	-5,088	-1,148	-1,374	-5,009
Provision for possible loan losses	-2,862	-11,504	-1,829	-5,180	-13,674
Other provision	-111	-361	-36	-77	-236
Main components of balance sheet closing balances in HUF mn	**4Q 2009**	**2009**	**3Q 2010**	**4Q 2010**	**2010**
Total assets	304,942	304,942	291,328	285,360	285,360
Gross customer loans	308,933	308,933	306,253	308,200	308,200
Retail loans	80	80	238	396	396
Corporate loans	34,085	34,085	30,618	28,941	28,941
Car financing loans	274,768	274,768	275,396	278,863	278,863
Allowances for possible loan losses	-34,393	-34,393	-42,645	-47,550	-47,550
Deposits from customers	5,467	5,467	4,477	4,784	4,784
Retail deposits	1,496	1,496	1,591	2,017	2,017
Corporate deposits	3,971	3,971	2,886	2,767	2,767
Liabilities to credit institutions	231,788	231,788	228,802	228,908	228,908
Total shareholders' equity	31,444	31,444	29,132	22,180	22,180
Loan Quality	**4Q 2009**	**2009**	**3Q 2010**	**4Q 2010**	**2010**
90+ days past due loan volume (in HUF million)	38,469	38,469	50,565	54,161	54,161
90+ days past due loans/gross customer loans (%)	12.5%	12.5%	16.5%	17.6%	17.6%
Cost of risk/average gross loans (%)	3.62%	3.64%	2.29%	6.69%	4.43%
Total provisions/90+ days past due loans (%)	89.4%	89.4%	84.3%	87.8%	87.8%
	2009 4Q	**2009**	**2010 3Q**	**2010 4Q**	**2010**
ROA	-0.1%	0.0%	0.1%	-4.4%	-1.4%
ROE	-0.8%	-0.2%	0.8%	-49.7%	-15.4%
Net interest margin	5.99%	5.95%	5.72%	5.64%	5.87%
Cost/income ratio	33.4%	30.1%	37.3%	40.3%	33.9%

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OTP Bank Plc.

Postal address: P.O.Box: 501 Budapest H-1876 Hungary

Phone: +36 1 473 5460

Fax: +36 1 473 5951

E-mail: investor.relations@otpbank.hu

Internet: www.otpbank.hu